



SUMMATIVE (FORMAL) ASSESSMENT: MODULE 3A
THE INSOLVENCY SYSTEM OF THE UNITED STATES

This is the **summative (formal) assessment** for **Module 3A** of this course and is compulsory for all candidates who **selected this module as one of their compulsory modules from Module 3**. Please read instruction 6.1 on the next page very carefully.

If you selected this module as **one of your elective modules**, please read instruction 6.2 on the next page very carefully.

The mark awarded for this assessment will determine your final mark for Module 3A. In order to pass this module, you need to obtain a mark of 50% or more for this assessment.

INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF ASSESSMENT

Please read the following instructions very carefully before submitting / uploading your assessment on the Foundation Certificate web pages.

1. You must use this document for the answering of the assessment for this module. The answers to each question must be completed using this document with the answers populated under each question.
2. All assessments must be submitted electronically in MS Word format, using a standard A4 size page and a 11-point Arial font. This document has been set up with these parameters – **please do not change the document settings in any way. DO NOT** submit your assessment in PDF format as it will be returned to you unmarked.
3. No limit has been set for the length of your answers to the questions. However, please be guided by the mark allocation for each question. More often than not, one fact / statement will earn one mark (unless it is obvious from the question that this is not the case).
4. You must save this document using the following format: **[studentID.assessment3A]**. An example would be something along the following lines: 202122-514.assessment3A. **Please also include the filename as a footer to each page of the assessment** (this has been pre-populated for you, merely replace the words "studentID" with the student number allocated to you). Do not include your name or any other identifying words in your file name. **Assessments that do not comply with this instruction will be returned to candidates unmarked.**
5. Before you will be allowed to upload / submit your assessment via the portal on the Foundation Certificate web pages, you will be required to confirm / certify that you are the person who completed the assessment and that the work submitted is your own, original work. Please see the part of the Course Handbook that deals with plagiarism and dishonesty in the submission of assessments. **Please note that copying and pasting from the Guidance Text into your answer is prohibited and constitutes plagiarism. You must write the answers to the questions in your own words.**
- 6.1 If you selected Module 3A as one of your **compulsory modules** (see the e-mail that was sent to you when your place on the course was confirmed), the final time and date for the submission of this assessment is **23:00 (11 pm) GMT on 1 March 2022**. The assessment submission portal will close at 23:00 (11 pm) GMT on 1 March 2022. No submissions can be made after the portal has closed and no further uploading of documents will be allowed, no matter the circumstances.
- 6.2 If you selected Module 3A as one of your **elective modules** (see the e-mail that was sent to you when your place on the course was confirmed), you have a **choice** as to when you may submit this assessment. You may either submit the assessment by **23:00 (11 pm) GMT on 1 March 2022** or by **23:00 (11 pm) BST (GMT +1) on 31 July 2022**. If you elect to submit by 1 March 2022, you **may not** submit the assessment again by 31 July 2022 (for example, in order to achieve a higher mark).
7. Prior to being populated with your answers, this assessment consists of **8 pages**.

ANSWER ALL THE QUESTIONS

Commented [H(1): Total marks 38.5/50

QUESTION 1 (multiple-choice questions) [10 marks in total]

Commented [H(2): Total marks 9/10

Questions 1.1. – 1.10. are multiple-choice questions designed to assess your ability to think critically about the subject. Please read each question carefully before reading the answer options. Be aware that some questions may seem to have more than one right answer, but you are to look for the one that makes the most sense and is the most correct. When you have a clear idea of the question, find your answer and **mark your selection on the answer sheet by highlighting the relevant paragraph in yellow**. Select only **ONE** answer. Candidates who select more than one answer will receive no mark for that specific question.

Question 1.1

Commented [H(3): Correct, 1 mark

ABC Corp is filing for bankruptcy under chapter 11. Which of the following **is not** a party in interest in that proceeding?

- (a) A neighboring land owner who has leased equipment to ABC Corp.
- (b) ABC's government regulator.
- (c) A bank that has loaned money to ABC.
- (d) A local advocacy group.**
- (e) All of the above.

Question 1.2

Commented [H(4): Correct, 1 mark

Which of the following statements regarding executory contracts is **false**?

- (a) Executory contracts are clearly defined by the bankruptcy code.**
- (b) Chapter 11 debtors have greater flexibility than chapter 7 debtors on when they may assume, assign or reject an executory contract.
- (c) In the most common formulation, executory contracts are defined as those where both sides to a contract have material unperformed obligations.
- (d) A court will generally defer to a debtor's business judgment regarding whether to assume or reject an executory contract.
- (e) Under the hypothetical test, a debtor cannot assume an executory contract if the debtor could not also assign the contract.

Question 1.3

Commented [H(5): Correct, 1 mark

In which of the following scenarios does a bankruptcy court have constitutional authority to issue a final order? Assume in each that the counterparty to the dispute has not consented to the bankruptcy court's exercise of jurisdiction.

- (a) A counterclaim against the estate that introduces a question under state law.
- (b) Since the list of core proceedings is non-exhaustive, a bankruptcy court may issue a final determination on any matter that comes before it.

(c) A creditor's claim against an affiliate of the debtor that has guaranteed the debtor's obligation to the creditor

(d) A debtor's motion to dismiss an involuntary bankruptcy petition.

(e) None of the above.

Question 1.4

Which of the following statements about "pre-packs" is **false**?

(a) A pre-pack cannot be used if the debtor wishes to reject executory contracts.

(b) Creditors must have sufficient information about the debtor and the plan to make an informed voting decision.

(c) A pre-pack debtor may spend as little as a single day in bankruptcy.

(d) The proposed plan of reorganization is submitted to the bankruptcy court together with the voluntary petition.

(e) Creditors' commitment to vote in favor of the plan may be memorialized in a restructuring support agreement.

Commented [H(6): The correct answer is (a) but I cannot give credit where 2 answers are selected.

Question 1.5

Which of the following statements regarding cramdowns is **true**?

(a) If one insider creditor approves of the plan of reorganization, all other impaired classes may be crammed down.

(b) Because cramdowns do not require the consent of all classes, the plan of reorganization may not be fair and equitable to all impaired classes.

(c) Differential treatment of different classes is permitted if there is a reasonable, good faith basis for doing so and such treatment is required for the plan of reorganization to be successful.

(d) Class definition is rarely a battleground when a debtor tries to cramdown classes.

(e) Dissenting creditors are not permitted to challenge the classification of a creditor supporting the cramdown.

Commented [H(7): Correct, 1 mark

Question 1.6

Which of the following statements about the plan exclusivity period is **true**?

(a) The exclusivity period is 1 year.

(b) The exclusivity period cannot be extended.

(c) The exclusivity period cannot be shortened.

Commented [H(8): Correct, 1 mark

(d) During the exclusivity period, only a creditor may propose a plan of reorganization.

(e) During the exclusivity period, only the debtor may propose a plan of reorganization.

Question 1.7

Commented [H(9)]: Correct, 1 mark

Which of the following statements about chapter 15 is **false**?

(a) The automatic stay applies upon the filing of a petition for recognition.

(b) A debtor cannot be subject to an involuntary chapter 15 proceeding.

(c) A chapter 15 petition must be filed by a foreign representative.

(d) The automatic stay applies only to property within the territorial jurisdiction of the United States.

(e) Recognition may be granted to a foreign proceeding as either foreign main or foreign non-main.

Question 1.8

Commented [H(10)]: Correct, 1 mark

Which of the following statements about 363 sales is **false**?

(a) A 363 sale permits a debtor to sell an asset free and clear of encumbrances.

(b) A creditor's lien on assets sold in a 363 sale attaches to the proceeds of the sale.

(c) A 363 sale must be conducted as an auction with a stalking horse bidder.

(d) Purchasers may pay a higher price for assets sold in a 363 sale than in an out-of-court transaction.

(e) Sophisticated parties will insist on a 363 sale if there is any question regarding whether the sale is "in the ordinary course of business".

Question 1.9

Commented [H(11)]: Correct, 1 mark

If a debtor rejects an executory trademark license agreement under which it licenses a trademark to its counterparty, which of the following is **true**?

(a) The counterparty has a claim for damages for breach of contract.

(b) The counterparty must immediately stop using the trademark.

(c) The counterparty can continue using the trademark for the remaining period of the license.

(d) Both (a) and (b).

(e) Both (a) and (c).

Question 1.10

Who may serve as a foreign representative to seek recognition of a foreign proceeding under chapter 15?

- (a) The board of directors of the debtor if it is a debtor-in-possession in the foreign proceeding.
- (b) An insolvency professional appointed by a creditor where the foreign proceeding is an involuntary receivership.
- (c) An officer of the debtor if it is a debtor-in-possession in the foreign proceeding.
- (d) An insolvency professional appointed by the court overseeing the foreign proceeding.

(e) All of the above.

Commented [H(12)]: Correct, 1 mark

QUESTION 2 (direct questions) [10 marks]

Commented [H(13)]: Total marks 8/10

Question 2.1 (2 marks)

Commented [H(14)]: Total marks 2/2

What is the difference between a voluntary petition for bankruptcy and an involuntary petition for bankruptcy?

[Type your answer here]

A voluntary petition is filed by a debtor. A debtor does not need to be insolvent to file a voluntary petition for bankruptcy. The petition may be dismissed if it has been filed for an improper purpose.

Commented [H(15)]: Correct, 1 mark

An involuntary petition is filed by a creditor or creditors. An involuntary petition requires an allegation of insolvency.

Commented [H(16)]: Correct, 1 mark

Accordingly, the pertinent differences are:

- (i) that a voluntary petition is filed by a debtor and a involuntary petition is filed by a creditor(s).
- (ii) the debtor of a voluntary petition may be solvent or insolvent. An involuntary petition requires an allegation of insolvency.

Question 2.2 (2 marks)

Commented [H(17)]: Total marks 1/2

What are two potential consequences of a violation of the automatic stay?

[Type your answer here]

Pursuant to title 11 section 362(h) of the United States Code, a violation of the automatic stay may lead to:

- (i) Recovery of actual damages including costs and attorney's fees; and
- (ii) in appropriate circumstances, punitive damages.

Commented [H(18)]: Correct, 1 mark, also the act would be void or voidable, depending on the circuit

Question 2.3 (3 marks)

Commented [H(19)]: Total marks 2/3

In what circumstances is a claim considered "impaired"? When is a holder of an impaired claim not entitled to vote on a proposed plan of reorganization and what happens instead?

[Type your answer here]

Pursuant to title 11 section 1124 of the United States Code, a class of claims or interests is considered impaired unless, as to every claim or interest in the class, the proposed reorganization plan ("the plan") leaves the holder's legal, equitable, and contractual rights unaltered, except that a class may be deemed unimpaired where the plan reverses contractual acceleration by curing any monetary default or compensating the holder for any damages.

Commented [H(20)]: Correct, 1 mark

Only impaired classes have the right to vote on the plan. Any holder of a claim or interest to which an objection has been filed does not have the right to vote for the portion of the claim or interest objected to. The holder may obtain an order temporarily allowing the claim or interest for voting purposes pending a resolution on the merits of the objection.

Commented [H(21)]: However a claim that will receive nothing under the plan is not entitled to vote and is deemed to reject.

Question 2.4 (3 marks)

Commented [H(22)]: Total marks 3/3

Answer the following questions about preferences, actual fraudulent conveyances and constructive fraudulent conveyances:

- (1) Which cause of action applies only to transfers made on account of antecedent debt?

[Type your answer here]

Preferences – pursuant to title 11 section 547(b)(2) of the United States Code, the criteria for a transaction to be considered a preference includes the payment or transfer of property being made "for or on account of an antecedent debt owed by the debtor before such transfer was made".

Commented [H(23)]: Correct, 1 mark

- (2) Which cause of action requires that the debtor be presumed or proven to have been insolvent at the time of the transfer?

[Type your answer here]

Preferences – pursuant to title 11 section 547(b)(3) of the United States Bankruptcy Code, the criteria for a transaction to be considered a preference includes the debtor to be insolvent at the time of the transaction.

Commented [H(24)]: Correct, 1 mark

- (3) Which cause of action requires that the debtor be proven to have intended to frustrate creditors' recoveries?

[Type your answer here]

Actual Fraudulent Conveyance – pursuant to section 548(a) of the United States Bankruptcy Code, an actual fraudulent conveyance is proven by showing that the debtor made a transfer or incurred an obligation "with actual intent to hinder, delay, or defraud any entity to which the debtor was or became... indebted".

Commented [H(25)]: Correct, 1 mark

QUESTION 3 (essay-type questions) [15 marks in total]

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Question 3.1 (3 marks)

Commented [H(27)]: Total marks 2/3

How did *Stern v Marshall* change the law of bankruptcy court jurisdiction and authority to enter a final order?

[Type your answer here]

Stern v Marshall was a United States Supreme Court case that considered whether a bankruptcy court, as a non-Article III court, could provide first judgement (the first order is generally considered binding on the parties) on a counter-claim which contained issues subject to separate state court proceedings. It was found that although the United States Code Title 28 section 157(c) provides that a counterclaim is a core proceeding as to which a bankruptcy court can issue a final order, the US Supreme Court held that the bankruptcy court's issuance of a final order over a state law was unconstitutional under Article III.

Commented [H(28)]: Correct, 1 mark

Accordingly, *Stern v Marshall* set the precedent that even in core proceedings, a bankruptcy court cannot issue final orders that invade an Article III jurisdiction.

Commented [H(29)]: Correct, 1 mark. However the bankruptcy court can enter final orders on a challenge to a petition or where the parties consent.

Question 3.2 (3 marks)

Commented [H(30)]: Total marks 2/3

What provisions of the Bankruptcy Code may not be invoked by a foreign representative in a chapter 15 proceeding? What are two ways that the foreign representative can obtain equivalent relief?

[Type your answer here]

A foreign representative in a chapter 15 proceeding may not invoke the avoidance powers provided by the United States Bankruptcy Code, being:

- (i) avoidance of preferences; and
- (ii) fraudulent conveyances.

Commented [H(31)]: Correct, 1 mark

A foreign representative may invoke the United States Bankruptcy Code avoidance powers in a plenary proceeding such as chapter 7 or 11 proceedings. In some circumstances, such proceedings are commenced prior to the foreign representatives application for recognition. Or pursuant to title 11 section 1511 of the United States Code, the foreign representative may choose to commence a plenary proceeding under the United States Bankruptcy Code after recognition of the foreign proceedings under chapter 15.

Commented [H(32)]: Correct, 1 mark, also the foreign representative can bring claims under analogous foreign or non-bankruptcy US law

Question 3.3 (4 marks)

Commented [H(33)]: Total marks 3/4

Describe the differences between interlocutory and final orders and how an appeal may be taken from each. Which courts hear direct appeals from bankruptcy court orders?

[Type your answer here]

Interlocutory orders resolve only some issues or claims. Interlocutory orders can be appealed only with leave of the appellate court.

Commented [H(34)]: Correct, 1/2 mark

Commented [H(35)]: Correct, 1/2 mark

Final orders dispose of all issues and leave nothing further to be decided. Final orders may be appealed as of right, meaning the appeal does not require permission of the appellate court as a prerequisite of taking the appeal.

Commented [H(36)]: Correct, 1/2 mark

Commented [H(37)]: Correct, 1 mark

In bankruptcy proceedings the same framework applies. One exception that applies is that orders extending the period of exclusivity to propose a plan are appealable as of right.

Pursuant to title 28 section 158(a) the district courts of the United States have jurisdiction to hear bankruptcy court order appeals.

Commented [H(38)]: Correct, 1 mark, though in certain circuits appeals may be heard by a Bankruptcy Appellate Panel

Question 3.4 (5 marks)

What fiduciary duties do directors of Delaware corporations owe and to whom are the duties owed in the ordinary course of business? To whom are duties owed when the corporation is potentially or actually insolvent?

[Type your answer here]

Directors of Delaware corporations owe a fiduciary **duty of loyalty** to the corporation's best interest and a **duty of care** in educated decision making. Directors of Delaware corporations are protected from liability for errors of judgement by the business judgement rule. Under the business judgement rule it is presumed that the Board of Directors has acted in good faith on the basis of reasonable information.

In the ordinary course of business these fiduciary duties are owed to the **corporation and its shareholders**. As evidenced in *North Am Catholic Educational Programming Foundation, Inc v Gheewalla* this remains unchanged even in circumstances where the corporation is operating in the "zone of insolvency".

QUESTION 4 (fact-based application-type question) [15 marks in total]**Question 4.1 [4 marks]**

Gambling Corporation is incorporated and has a principal place of business in Greece and it operates casinos and betting parlors in many international cities, including Athens, Las Vegas, London and Macau. Gambling Corp's bonds (governed by English law) are due to mature in one (1) year, but it is unable to repay or refinance them. Gambling Corp is considering using an English scheme of arrangement to restructure the bonds.

Discuss whether the English scheme of arrangement could be granted recognition under US chapter 15 as a foreign main or foreign non-main proceeding.

[Type your answer here]

To commence a case under chapter 15 of the United States Bankruptcy Code, Gambling Corporation would be required to file a petition. The requirements of recognition pursuant to chapter 15 are minimal:

- (i) Gambling Corporation must establish that a foreign court or administrative proceeding with respect to Gambling Corporation is pending; and
- (ii) that the foreign representative appointed to Gambling Corporation to facilitate the proposed scheme of arrangement is empowered to act by the foreign proceeding, in this instance the proceeding in the English Court.

A foreign proceeding does not need to resemble a US bankruptcy case to be granted recognition and proceedings as diverse as English schemes of arrangement can be recognised, given the minimal requirements are met.

Foreign main proceedings are those that are commenced in the debtor's Centre of Main Interest ("COMI"). COMI is a concept foreign to United States law. A debtor's COMI is presumed to be its place of incorporation, but this is rebuttable. Pursuant to the *Bear Stearns* case, COMI is to be assessed as of the date of the US petition, not the commencement of foreign proceedings.

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Commented [H(40)]: Correct, 1 mark

Commented [H(41)]: Correct, 1 mark

Commented [H(42)]: Correct, 1 mark

Commented [H(43)]: Correct, 1 mark

Commented [H(44)]: Correct, 1 mark

Commented [H(45)]: Total marks 9.5/15

Commented [H(46)]: Total marks 0/4

Relevant factors in the COMI analysis include:

- (i) place of incorporation – Gambling Corporation was incorporated in Greece.
- (ii) location of headquarters – Gambling Corporation's principal place of business is in Greece.
- (iii) location of management – Gambling Corporation operates casinos and betting parlors in Athens, Las Vegas, London and Macau. It could be assumed that Gambling Corporation's management is split across these jurisdictions.
- (iv) location of primary assets – Gambling Corporation's bonds, which will be the subject of the scheme of arrangement, are governed by English law.
- (v) location of a majority of the debtor's creditors or a majority of the creditors that will be affected by the relief requested by the foreign representative – It is unclear from the facts of the question the jurisdiction of the majority of Gambling Corporation's creditors. Given Gambling Corporation operates in Greece, Athens, Las Vegas, London and Macau; it could be presumed the creditors are spread across these jurisdictions.
- (vi) jurisdiction whose law will apply to most disputes – Gambling Corporation's bonds are subject to English law and therefore disputes in relation to same will be subject to English law.

Commented [H(47)]: Based on the facts available, it appears that COMI is in Greece. Therefore proceedings in England cannot be recognized as foreign main proceedings. Instead, they may be recognized as foreign non-main proceedings because the London casino qualifies as an establishment.

Question 4.2 [5 marks]

Oil Corporation is incorporated in Delaware and has its principal place of business in Texas. Oil Corp is facing a number of challenges to its business. First, ShipCo, one of its key customers, has filed a breach of contract lawsuit in Texas state court alleging that Oil Corp sold it contaminated oil that caused USD 1 billion in damage to ShipCo's container ships. Second, the US Department of Justice is investigating whether Oil Corp illegally purchased oil from countries subject to US sanctions. Third, Oil Corp. has missed a payment on its secured loan from USA Bank, and USA Bank is threatening to foreclose on an Oil Corp refinery located in the Philippines. Fourth, because of all these distractions, Oil Corp has forgotten to pay rent on its Houston, Texas office space and its landlord is threatening to evict it. What would be the effect of Oil Corp filing a chapter 11 petition on each of these four situations?

Commented [H(48)]: Total marks 3.5/5

[Type your answer here]

Pursuant to title 11 section 362 of the United States Code an automatic stay would become effective on Oil Corp's filing of the chapter 11 petition.

Commented [H(49)]: Correct, 1 mark

ShipCo Lawsuit in Texas

Pursuant to title 11 section 362(a), the automatic stay specifically prohibits enforcement of pre-petition judgements against Oil Corp. The lawsuit filed by ShipCo would be stayed until such time that Oil Corp proposes a plan within the 120 day exclusivity period.

Commented [H(50)]: Partially correct, 1/2 mark; the stay would apply for the duration of the bankruptcy proceedings unless lifted by the court

US Department of Justice Investigation

Pursuant to title 11 section 362(b), the automatic stay is subject to certain statutory exceptions including criminal proceedings and regulatory investigations. Accordingly, the US Department of Justice's investigation into whether Oil Corp illegally purchased oil from countries subject to US sanctions would continue. If grounds were found which led to criminal charges being filed, these filings would also be permitted.

Commented [H(51)]: Correct, 1 mark

Secured Loan from USA Bank

Pursuant to title 11 section 362(a), the stay prohibits any act to obtain possession or control of property of the estate. Pursuant to title 11 section 362(d), a relief from the stay may be

Commented [H(52)]: Correct, 1 mark, including property in the Philippines because the stay is effective worldwide

granted under certain conditions. In this scenario, US Bank may apply for relief of the stay based on lack of adequate protection, or if Oil Corp has no equity in the Philippines Oil Refinery and the asset is not necessary for the reorganisation. In the lack of adequate protection scenario, US Bank would have to prove that the value of the Philippines Oil refinery would decline during the course of the Chapter 11 proceedings and that decline would result in US Bank making less than a full recovery. Adequate protection relief would not be granted if the value of the Philippines Oil Refinery exceeds the debt it secures. In the equity scenario, US Bank would have to prove that the Philippines Oil Refinery was not necessary for the reorganisation and that Oil Corp has no equity in the same.

Houston, Texas Office Space

The chapter 11 proceedings allows the debtor in possession of Oil Corp to continue business operations in the ordinary course of business. It is presumed that Oil Corp does not own equity in the office space and there is no mention that the landlord is pursuing the debt. Accordingly, the landlord would be permitted to evict Oil Corp from the Houston, Texas Office Space for non-payment.

Question 4.3 [6 marks]

Oil Corp has filed for bankruptcy and is planning to sell its plastic manufacturing business through a 363 sale. The plastic manufacturing business operates under the trademark "Interconnect", which is licensed from Plastic Corp. Oil Corp has invented several patented processes for plastic manufacturing, which it licenses to Plastic Corp. The main manufacturing facility for the plastic business is in Dallas, and Oil Corp has granted a lien on the facility to USA Bank to secure its USD 500 million loan.

Oil Corp thinks it will get the highest return for the plastics manufacturing business if it can (i) assume and assign the trademark license; (ii) reject the patent licenses so the purchaser has the exclusive right to use the patents; and (iii) sell the manufacturing facility free and clear of the USA Bank lien. Can Oil Corp achieve each of these goals without the consent of Plastic Corp and USA Bank? Why or why not?

[Type your answer here]

Pursuant to title 11 section 363 (f) of the United States Bankruptcy Code, an asset may be sold free and clear with creditor consent, where the creditor interest is disputed or where the value of the property exceeds the value of the interest. The creditor's interest will then attach to the proceeds of the sale and it will receive priority in distribution of those proceeds.

- (i) Oil Corp cannot assume and assign the trademark licence without the consent of Plastic Corp. The trademark is licenced from Plastic Corp. *In re Trump Entertainment Resorts, Inc*, 562 BR 116, the general rule is established that Federal Trademark Law generally bans assignment of trademark licences absent the licensor's consent.
- (ii) Oil Corp cannot reject the patent licences so the purchaser has exclusive right to use the patents without the consent of Plastic Corp. Pursuant to title 11 section 365(n) of the United States Code, licensees of patents owned by the debtor are protected that their licences may not be terminated in connection with the sale of intellectual property without their consent. Plastic Corp is the licensee and therefore their consent will be required prior to termination.
- (iii) Oil Corp can sell the manufacturing facility free and clear of the USA Bank lien without the consent of Plastic Corp and USA Bank. Pursuant to title 11 section 363 (f) of the United States Bankruptcy Code as long as there is sufficient equity in the

Commented [H(53): Incorrect, eviction proceedings are permitted only if the lease has expired pre-petition.

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Commented [H(56): Correct, 1 mark

Commented [H(57): Correct, 1 mark

Commented [H(58): Correct, 1 mark

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manufacturing facility for full and final payment of the USA Bank lien, approval is not required.

*** End of Assessment ***