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April 7, 2017

**VIA ELECTRONIC MAIL**

Mr. Ronald W. Smith, Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street, NW  
Suite 1000  
Washington, DC 20005

**Re: Regulatory Notice 2017-04, Request for Comment on Draft Amendments to MSRB Rule G-21 on Advertising and on Draft MSRB Rule G-40 on Advertising by Municipal advisors**

Dear Mr. Smith:

Acacia Financial Group, Inc. is a national financial advisory firm that serves high profile issuers, local small issuers and infrequent issuers. We are supportive of establishing a regulatory regime for municipal advisors, however, with respect to Rule G-40, we agree with other commenters that this rule is unnecessary and applies a regulatory burden and cost which is not proportional to the MSRB's stated goal of preventing misleading information to investors, issuers or obligated persons. The core rules of G-17 coupled with G-42 and the fiduciary duty required under Dodd-Frank provides ample regulation to prevent false or misleading statements by municipal advisors.

In an attempt to have parallel rules for broker-dealers and municipal advisors, the MSRB is needlessly drafting a rule which is more applicable to the selling of municipal financial products rather than municipal advisor services. For example, almost all prospective clients will receive materials regarding our "firm resume" containing our qualifications and services, resumes of professionals, case studies and tailored financial analysis. This is the same material provided to prospective clients through their procurement process which could include a formal RFQ/RFP/RFI process or an informal request for information on the firm. The existing regulatory framework would clearly govern false or misleading statements in those materials.

If the MSRB wants to pursue the regulation of advertisements by municipal advisors, then more thought needs to be given as to what constitutes an advertisement and it needs to be targeted to the professional services provided by Municipal advisors as opposed to the selling of municipal financial products. Municipal advisors make recommendations on the use of various financial products, however, G-42 would govern this activity. Any rule on advertisements should clearly differentiate between these items.

In reconsidering G-40, we would recommend the exclusion of responses to both formal and informal requests for information, proposals and qualifications, client lists, case studies, resumes, tailored financial analysis and factual information regarding types of financing products and general market conditions. Additionally, clarification would be needed regarding the materials noted above as whether if provided to clients, as opposed to prospective clients, if they would constitute advertisements. An argument could be made that providing refunding analyses, factual information on types of financing vehicles and the pros

and cons of such instruments would not and should not constitute advertisements and the recommendations made by advisors as noted previously would be covered by G-42. Finally, as many municipal advisors have web sites, guidance would need to be given as to how G-40 would apply, if at all to the materials posted.

In the comment notice, there were several questions raised and the following addresses some of those areas:

**Role of municipal advisors in the development or distribution of municipal security product advertisements, new issue product advertisements and or municipal fund security product advertisements:** Municipal advisors advise clients on the use of various securities and do not advertise these products and generally have no role in development of advertisements used to sell these products.

**Marketing of non-security products:** The MSRB would be over reaching if it attempted to regulate the use of non-security products. While there may be a subset of advisors who engage in this activity, we can see no nexus for the MSRB to become involved in non-security related regulations.

**G-40 benefits in municipal advisor selection:** In the notice, the MSRB states its belief that advertising regulations will improve the selection process of municipal advisors. We disagree with this statement as numerous issuers hire municipal advisors through some type of competitive process and we believe the provision of materials in response to such a solicitation should not be deemed an advertisement and such materials are already governed by existing rules.

As a former member of the MSRB who was an active participant in the drafting of the first set of rules for municipal advisors that were subsequently withdrawn, I would urge the Board to focus on the unique services provided by advisors. The effort to level the playing field or to automatically subject non-dealer municipal advisors to the same rules as broker dealers does not acknowledge the differences between the roles broker dealers and municipal advisors play in the financial markets. Simply duplicating rules in an effort to minimize the disruption to the existing compliance regimes of broker-dealers is not an appropriate metric for rulemaking. I would urge the Board to craft regulations with an eye to the services provided, recognizing the best way to level the playing field is adopting rules that accurately reflect these roles.

Sincerely,



Noreen P. White  
Co-President



Kim M. Whelan  
Co-President