LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY
AND CONSULTING FIRM

March 24, 2017

Ronald W. Smith
Corporate Secretary Municipal Securities Rulemaking Board
1300 I St. NW
Washington, DC 20005

Re: MSRB Notice 2017-4, Request for Comment on Revised Draft MSRB Rule G-40 and Draft Revisions to Rule G-21

Ladies & Gentlemen:

Lewis Young Robertson & Burningham ("LYRB") is pleased to submit comments on the above-referenced Notice.

LYRB is an independent financial advisory firm which has elected, since its inception 21 years ago, to be regulated as a broker dealer and, therefore, has been and remains subject to MSRB regulations. We are now also registered as a municipal advisor with the Securities and Exchange Commission and the MSRB.

LYRB does not underwrite or purchase securities for our own account or for sale to others nor do we carry customer account of any kind. We do not participate as a co-manager or member of selling groups and do not act as a remarketing agent. We are a major financial advisor in the State of Utah and work in some other states as well. LYRB has acted as a financial advisor on hundreds of transactions with a volume of over $8 billion. These transactions run the gamut from small to large, and include general obligation bonds, various types of revenue and tax backed bonds, revenue and bond anticipation notes, and taxable and tax-exempt (including Build America Bonds) bonds in both fixed rate and variable rate structures.

We have numerous comments to and objections to the regulatory regime proposed by draft Rule G-40.

First, the statutory basis for regulation is the Dodd Frank Act. This imposes a fiduciary standard on all municipal advisors. This generic level of regulation, as explicated by Rule G-42, already imposes a high level of probity and care upon advisors. In the context of the realities of the municipal advisory business set out

GATEWAY PLAZA BUILDING
41 NORTH RIO GRANDE, SUITE 101
SALT LAKE CITY, UTAH 84101
TELEPHONE 801.596.0700
TOLL FREE 800.581.1100
FAX 801.596.2800
WWW.LEWISYOUNG.COM

in the next paragraph, no further specific regulation of "advertising" is needed or useful.

Second, the "target market" of municipal advisors is radically different from the base market of a Broker/Dealer. Municipal Advisors sell no investments to unsophisticated customers to whom they owe no fiduciary duty. Consumers of our services are relatively sophisticated and rarely, if ever, make their selection of an advisor based in whole or even in small part upon generic advertising. There is therefore little scope to usefully regulate, only burdens of compliance to impose.

Third, you make much of a "level playing field" as to "advertising" between (regulated) Broker/Dealer municipal advisors and (presently unregulated) non-dealer advisors. This point has some merit. To the extent it does, we suggest you turn your energies to exempting all broker/dealer activities governed by Rule G-42 from the broker/dealer advertising rules, rather than needlessly imposing such rules where they are not needed in the name of a "level playing field". This would get the playing field "level" without adding regulation.

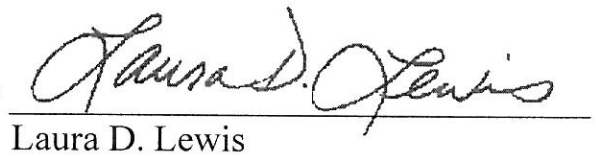
Fourth, in cases (rare) in which unsophisticated municipal issuers may be duped or deceived by an unscrupulous municipal advisor's "advertising" communication, we suggest that Rule G-17 and Rule G-42 provide ample scope for enforcement. This approach would avoid all the compliance costs imposed on by proposed Rule G-40 and relieve those currently imposed by G-21 on activities to which they have little connection.

Fifth, an illustrative anecdote: some years ago one of our senior advisors, then working for a large broker/dealer, prepared a presentation for an individual school district client, specifically tailored to that client's debt. This material was to be presented to the school board in a "power point" presentation on a screen in a public meeting and could in no way be considered "advertising" in any usual sense. That firm's compliance department insisted that because of the potential "general public" audience who *might* attend the school board meeting and therefore *could* see this presentation, it "might" be advertising and should be vetted by the compliance department before it could be shown. This imposed costs, not to mention incongruities. To begin with, the compliance department was not competent to evaluate the material they were asked to "review", as their expertise was in rules, not issuing general obligation school bonds. Second, this meant the presentation slides had to be completed three days earlier than would otherwise be required so they could be "reviewed". This imposed cost and inconvenience on the advisor and the firm to no useful public purpose.

In conclusion, we suggest you eliminate the current provisions related to advertising of Rule G-21 on broker/dealer activities otherwise governed by both G-17 and G-42 and that you not impose a Rule G-40 on non-broker/dealer advisors.

If that is unsatisfactory to you, an alternative would be a principles based "truth in advertising" version of G-40 which could be written in one or two sentences. Rule G-21 could be correspondingly simplified.

Lewis Young Robertson & Burningham, Inc.

By 

Laura D. Lewis
Principal