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MANAGING PRINCIPAL  
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July 7, 2015

Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, Virginia 22314

To the Board of Directors of the MSRB:

I appreciate the opportunity to comment on the Board's recent draft amendments to Rule A-3, which are intended to modify the standard of independence for the Board's statutorily-mandated public investor representative. As a past MSRB Board Member (2010-2014) and three year member of the MSRB's Nominating and Governance Committee (2010-2013), during one of which I served as Chairman, I fully appreciate the challenges faced by the Board in accessing the highest quality candidates for each Board seat. As a public investor representative during my Board service, I also appreciate and understand the importance of the public investor's role in the Board's deliberative process. **It is with this perspective that I strongly support the draft amendments to Rule A-3, and feel that adopting them would be a healthy and appropriate evolution for the MSRB.**

Each statutorily-mandated position on the Board exists for reasons that are specific to accomplishing the MSRB's mission, which is to protect municipal entities, obligated persons, investors and the public interest, and to promote a fair and efficient municipal securities market. The expertise in the boardroom is the insurance that this mission can and will be fulfilled, so the MSRB is obligated to access the most knowledgeable and capable individuals in order to accomplish that objective. Public investor representatives, specifically, play a crucial role as sophisticated financial markets participants who are professionally engaged on behalf of a multitude of investor types. Simply put, one of the most significant responsibilities of the MSRB is to ensure fairness and transparency between those who raise capital for municipal entities and those who provide the capital to municipal entities. As an individual-investor dominated marketplace, it is critically important that the voice of the investor be as or more informed, experienced and sophisticated than their counterparts on the other side of the transaction.

During my four years on the Board and three on the Nominating and Governance committee, the restrictive nature of Rule A-3's public investor criteria was a chronic challenge. Many of the professional investors who are considered industry leaders and possess skills and knowledge critical to the MSRB are currently ineligible for Board service as a result of peripheral or de minimis linkages to regulated entities. Oftentimes very accomplished professional investors reside within complex organizations that are designed to participate in different marketplaces and provide different products to clients, and their regulatory structures conform to those business objectives. In many cases, highly limited or distant regulated components serve to essentially poison the current Rule A-3 test for an organization and its employees before a more thoughtful assessment of true conflict could even be considered.

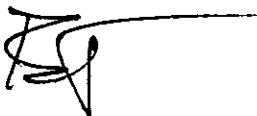
I believe that, while well-intended in its initial form, experience has shown that Rule A-3's absolutist approach to the "no material business relationship" test for public investors is too restrictive and is a material impediment to the fulfillment of the MSRB's mission. The draft amendments present a measured and thoughtful improvement to the existing Rule that will allow for informed consideration of talented individuals who are currently ineligible for Board service. The amendments are also more consistent with FINRA's functions-oriented approach, while still ensuring independence through a thorough review process.

Regarding the additional question about modifying the length of Board service, I believe that this is an appropriate issue for Board consideration. The MSRB underwent dramatic changes as a result of Dodd-Frank in 2010, both in the scope of the mission and in the composition of the Board itself. While single three-year terms was a good starting point for the post Dodd-Frank MSRB, enough years have passed that this should be re-evaluated.

The post Dodd-Frank experience included a number of modified Board terms which were created in order to reach a consistent turnover rate for the entire Board, and this experience should be instructive. I was fortunate to have been engaged for an additional year of Board service due to the resignation of another Board member, so I had the benefit of, effectively, a four year term. To serve on the MSRB in an informed and productive capacity, Board members must become deeply engaged on a wide range of market and regulatory issues. This process takes a substantial amount of time, but, once accomplished, Board members are highly effective. Extending Board service would allow the MSRB to leverage that accumulated knowledge more effectively than the current three-year term. Also, with a 21-member Board, there may be cases where individual Board members provide unique or specialized expertise that may be difficult to find elsewhere. In such cases, the initial Board terms or extensions could be considered in a more flexible way than they are today.

Finally, similar to the consideration of length of Board member service, I would urge the Board to consider reviewing the single-year term length for the Board Chairman. The Board Chair must possess all of the topic knowledge of a normal Board member, but at the same time shoulder a significant organizational management role. Even for an experienced Board member moving into the Chair, there is a ramp-up period before they can reach their full level of effectiveness. Extension of the Chair's term would likely allow for more continuity in leadership and improve the MSRB's ability to achieve multi-year objectives.

Sincerely,

A handwritten signature in black ink, appearing to be 'BS Thompson', with a long horizontal line extending to the right from the top of the signature.

Benjamin S. Thompson