

Form 990

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

- Do not enter social security numbers on this form as it may be made public. Information about Form 990 and its instructions is at www.irs.gov/form990.

A For the 2016 calendar year, or tax year beginning 10/01, 2016, and ending 09/30, 2017

B Check if applicable: C Name of organization MUNICIPAL SECURITIES RULEMAKING BOARD D Employer identification number 52-1042433 E Telephone number (202) 838-1500 G Gross receipts \$ 41,318,901. H(a) Is this a group return for subordinates? Yes X No H(b) Are all subordinates included? Yes No I Tax-exempt status: 501(c)(3) X 501(c) ( 6 ) (insert no.) 4947(a)(1) or 527 J Website: WWW.MSRB.ORG H(c) Group exemption number K Form of organization: X Corporation Trust Association Other L Year of formation: 1975 M State of legal domicile: VA

Part I Summary

Table with 3 columns: Description, Prior Year, Current Year. Rows include: 1 Briefly describe the organization's mission... 2 Check this box... 3 Number of voting members... 4 Number of independent voting members... 5 Total number of individuals employed... 6 Total number of volunteers... 7a Total unrelated business revenue... 7b Net unrelated business taxable income... 8 Contributions and grants... 9 Program service revenue... 10 Investment income... 11 Other revenue... 12 Total revenue... 13 Grants and similar amounts paid... 14 Benefits paid... 15 Salaries, other compensation... 16a Professional fundraising fees... 16b Total fundraising expenses... 17 Other expenses... 18 Total expenses... 19 Revenue less expenses... 20 Total assets... 21 Total liabilities... 22 Net assets or fund balances.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here: Signature of officer: Lynnette Kelly, Date: 2-2-18, Type of print name and title: Lynnette Kelly Executive Director

Paid Preparer Use Only: Print/Type preparer's name: TRAVIS L PATTON, Preparer's signature: [Signature], Date: 1/29/2018, Check self-employed, PTIN: P00369623, Firm's name: PRICEWATERHOUSECOOPERS, LLP, Firm's EIN: 13-4008324, Firm's address: 600 13TH ST NW WASHINGTON, DC 20005, Phone no.: 202-414-1000

May the IRS discuss this return with the preparer shown above? (see instructions) X Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Form 990 (2016)

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III  Yes  No

**1** Briefly describe the organization's mission:

SEE SCHEDULE O

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

ESTABLISHING REGULATIONS AND SUPPORTING GUIDANCE FOR MUNICIPAL ADVISORS AND DEALERS: SEE SCHEDULE O

**4b** (Code: \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

COLLECTING AND DISSEMINATING MARKET INFORMATION: SEE SCHEDULE O

**4c** (Code: \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

ENGAGING IN EDUCATION, OUTREACH AND MARKET LEADERSHIP: SEE SCHEDULE O

**4d** Other program services (Describe in Schedule O.)

(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

**4e** Total program service expenses ▶

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> . . . . .		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i> . . . . .		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i> . . . . .		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i> . . . . .	X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i> . . . . .		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II.</i> . . . . .		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> . . . . .		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i> . . . . .		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> . . . . .		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> . . . . .	X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i> . . . . .		X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i> . . . . .		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i> . . . . .		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> . . . . .	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i> . . . . .	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII.</i> . . . . .	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional.</i> . . . . .		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i> . . . . .		X
14a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV.</i> . . . . .		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV.</i> . . . . .		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV.</i> . . . . .		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions). . . . .		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i> . . . . .		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i> . . . . .		X

**Part IV Checklist of Required Schedules (continued)**

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H.</i> . . . . .		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i> . . . . .		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i> . . . . .		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i> . . . . .	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i> . . . . .		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i> . . . . .		
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II.</i> . . . . .		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i> . . . . .		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i> . . . . .		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i> . . . . .		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i> . . . . .		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i> . . . . .		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i> . . . . .		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1.</i> . . . . .		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? . . . . .		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i> . . . . .		
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i> . . . . .		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O.	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No response columns. Includes entries for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8899, Form 1098-C, Form 720, and Form 702.



Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include 1a (governing body members), 1b (independent members), 2-7a (relationships and governance), 7b (governance decisions), 8 (documentation), 8a-8b (documentation details), and 9 (reachability).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include 10a-10b (local chapters), 11a-11b (Form 990 distribution), 12a-12c (conflict of interest policy), 13 (whistleblower policy), 14 (document retention), and 15a-15b (compensation review).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records:

BONNIE MOYNIHAN 1300 I STREET NW, SUITE 1000 WASHINGTON, DC 20005 202-838-1500

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII.

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) COLLEEN WODELL DIRECTOR, BOARD CHAIR	6.00 0.	X		X			65,000.	0.	0.	
(2) ARTHUR M. MILLER DIRECTOR, BOARD VICE CHAIR	4.00 0.	X		X			51,550.	0.	0.	
(3) STEVE APFELBACHER DIRECTOR	4.00 0.	X					46,550.	0.	0.	
(4) J. ANTHONY BEARD DIRECTOR	4.00 0.	X					12,350.	0.	0.	
(5) RENEE BOICOURT DIRECTOR	4.00 0.	X					45,300.	0.	0.	
(6) ROBERT C. BROWN DIRECTOR	4.00 0.	X					12,050.	0.	0.	
(7) JULIA H. COOPER DIRECTOR	4.00 0.	X					12,350.	0.	0.	
(8) RONALD DIECKMAN DIRECTOR	4.00 0.	X					45,000.	0.	0.	
(9) RICHARD K. ELLIS DIRECTOR	4.00 0.	X					45,300.	0.	0.	
(10) JERRY W. FORD DIRECTOR	4.00 0.	X					11,550.	0.	0.	
(11) DALL FORSYTHE DIRECTOR	4.00 0.	X					48,750.	0.	0.	
(12) RICHARD FROEHLICH DIRECTOR	4.00 0.	X					45,300.	0.	0.	
(13) GARY HALL DIRECTOR	4.00 0.	X					45,300.	0.	0.	
(14) LUCY HOOPER DIRECTOR	4.00 0.	X					46,250.	0.	0.	

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) MARK KIM ----- DIRECTOR	4.00 ----- 0.	X					46,550.	0.	0.	
( 16) LAKSHMI KOMMI ----- DIRECTOR	4.00 ----- 0.	X					33,750.	0.	0.	
( 17) KEMP J. LEWIS ----- DIRECTOR	4.00 ----- 0.	X					12,350.	0.	0.	
( 18) CHRISTOPHER M. RYON ----- DIRECTOR	4.00 ----- 0.	X					45,000.	0.	0.	
( 19) RITA SALLIS ----- DIRECTOR	4.00 ----- 0.	X					46,550.	0.	0.	
( 20) EDWARD J. SISK ----- DIRECTOR	4.00 ----- 0.	X					11,250.	0.	0.	
( 21) PATRICK SWEENEY ----- DIRECTOR	4.00 ----- 0.	X					45,300.	0.	0.	
( 22) DALE TURNIPSEED ----- DIRECTOR	4.00 ----- 0.	X					45,300.	0.	0.	
( 23) LYNNETTE KELLY ----- EXECUTIVE DIRECTOR	40.00 ----- 0.			X			878,305.	0.	170,516.	
( 24) ELIZABETH A. WOLFE ----- TREASURER, CFO AND CRO	40.00 ----- 0.			X			428,680.	0.	43,903.	
( 25) NANETTE D. LAWSON ----- TREASURER AND CFO	40.00 ----- 0.			X			186,119.	0.	52,552.	
<b>1b Sub-total</b> . . . . .							532,600.	0.	0.	
<b>c Total from continuation sheets to Part VII, Section A</b> . . . . .							5,790,397.	0.	718,446.	
<b>d Total (add lines 1b and 1c)</b> . . . . .							6,322,997.	0.	718,446.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ► 53

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 1		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 12



**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 26) RONALD W. SMITH CORPORATE SECRETARY	40.00 0.			X			210,302.	0.	32,982.	
( 27) SARA MAJROH ASSISTANT CORPORATE SECRETARY	40.00 0.			X			144,566.	0.	23,690.	
( 28) AMYTIS G. RAMOS ASSISTANT CORPORATE SECRETARY	40.00 0.			X			99,758.	0.	45,151.	
( 29) MALLORY BUCHER ASSISTANT CORPORATE SECRETARY	40.00 0.			X			95,407.	0.	17,528.	
( 30) ROBERT FIPPINGER CHIEF LEGAL OFFICER	40.00 0.				X		673,222.	0.	42,074.	
( 31) JOHN A. BAGLEY CHIEF MARKET STRUCTURE OFFICER	40.00 0.				X		470,800.	0.	54,427.	
( 32) ALAN MORISATO CHIEF OPS AND TECH OFFICER	40.00 0.				X		488,974.	0.	30,029.	
( 33) MICHAEL POST GENERAL COUNSEL	40.00 0.					X	460,228.	0.	31,058.	
( 34) RITTA MCLAUGHLIN CHIEF EDUCATION OFFICER	40.00 0.					X	364,242.	0.	39,130.	
( 35) GAIL MARSHALL CHIEF COMPLIANCE OFFICER	40.00 0.					X	286,764.	0.	44,414.	
( 36) JENNIFER A. GALLOWAY CHIEF COMMUNICATIONS OFFICER	40.00 0.					X	275,634.	0.	37,339.	
<b>1b Sub-total</b> . . . . .										
<b>c Total from continuation sheets to Part VII, Section A</b> . . . . .										
<b>d Total (add lines 1b and 1c)</b> . . . . .										

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶ 53

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual . . . . .	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual . . . . .	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person . . . . .		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶



**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII.

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . .	<b>1a</b>						
	<b>b</b> Membership dues . . . . .	<b>1b</b>	36,751,638.					
	<b>c</b> Fundraising events . . . . .	<b>1c</b>						
	<b>d</b> Related organizations . . . . .	<b>1d</b>						
	<b>e</b> Government grants (contributions) . .	<b>1e</b>						
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .	<b>1f</b>						
	<b>g</b> Noncash contributions included in lines 1a-1f: \$							
	<b>h Total.</b> Add lines 1a-1f . . . . . ▶			36,751,638.				
<b>Program Service Revenue</b>	<b>2a</b> DATA SUBSCRIPTIONS	<b>Business Code</b>	900099	1,882,413.	1,882,413.			
	<b>b</b> VIOLATION FINE REVENUE		900099	994,738.	994,738.			
	<b>c</b> PROFESSIONAL QUALIFICATION EXAM FEES		900099	623,700.	623,700.			
	<b>d</b> MUNIEDPRO		900099	8,463.	8,463.			
	<b>e</b> OTHER INCOME		900099	390,904.	390,904.			
	<b>f</b> All other program service revenue . . . . .							
	<b>g Total.</b> Add lines 2a-2f . . . . . ▶			3,900,218.				
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts). . . . . ▶			667,045.	667,045.			
	<b>4</b> Income from investment of tax-exempt bond proceeds . ▶			0.				
	<b>5</b> Royalties . . . . . ▶			0.				
	<b>6a</b> Gross rents . . . . .	(i) Real	(ii) Personal					
		<b>b</b> Less: rental expenses . . . . .						
	<b>c</b> Rental income or (loss) . . . . .							
	<b>d</b> Net rental income or (loss) . . . . . ▶			0.				
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
		<b>b</b> Less: cost or other basis and sales expenses . . . . .						
	<b>c</b> Gain or (loss) . . . . .							
	<b>d</b> Net gain or (loss) . . . . . ▶			0.				
	<b>8a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . . <b>a</b>			0.				
		<b>b</b> Less: direct expenses . . . . . <b>b</b>		0.				
		<b>c</b> Net income or (loss) from fundraising events. . . . . ▶		0.				
<b>9a</b> Gross income from gaming activities. See Part IV, line 19 . . . . . <b>a</b>			0.					
	<b>b</b> Less: direct expenses . . . . . <b>b</b>		0.					
	<b>c</b> Net income or (loss) from gaming activities. . . . . ▶		0.					
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . . <b>a</b>			0.					
	<b>b</b> Less: cost of goods sold . . . . . <b>b</b>		0.					
	<b>c</b> Net income or (loss) from sales of inventory. . . . . ▶		0.					
<b>Miscellaneous Revenue</b>			<b>Business Code</b>					
<b>11a</b> 0								
<b>b</b> _____								
<b>c</b> _____								
<b>d</b> All other revenue . . . . .								
<b>e Total.</b> Add lines 11a-11d . . . . . ▶			0.					
<b>12 Total revenue.</b> See instructions. . . . . ▶			41,318,901.	4,567,263.				

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

<b>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</b>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 . . . . .	0.			
2 Grants and other assistance to domestic individuals. See Part IV, line 22 . . . . .	0.			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 . . . . .	0.			
4 Benefits paid to or for members . . . . .	0.			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	5,641,665.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0.			
7 Other salaries and wages . . . . .	11,560,806.			
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	834,998.			
9 Other employee benefits . . . . .	1,355,675.			
10 Payroll taxes . . . . .	926,978.			
11 Fees for services (non-employees):				
a Management . . . . .	0.			
b Legal . . . . .	784,088.			
c Accounting . . . . .	218,175.			
d Lobbying . . . . .	4,275.			
e Professional fundraising services. See Part IV, line 17.	0.			
f Investment management fees . . . . .	0.			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	2,270,338.			
12 Advertising and promotion . . . . .	0.			
13 Office expenses . . . . .	476,249.			
14 Information technology . . . . .	2,139,473.			
15 Royalties . . . . .	0.			
16 Occupancy . . . . .	1,859,911.			
17 Travel . . . . .	547,857.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings . . . . .	346,711.			
20 Interest . . . . .	0.			
21 Payments to affiliates . . . . .	0.			
22 Depreciation, depletion, and amortization . . . . .	4,133,849.			
23 Insurance . . . . .	252,573.			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a DATA AND INFORMATION SERVICE	1,379,368.			
b DUES, REGISTRATIONS, TRAININ	230,947.			
c PROPERTY AND OTHER TAXES	433,165.			
d BAD DEBT EXPENSE	105,255.			
e All other expenses	331,215.			
<b>25 Total functional expenses.</b> Add lines 1 through 24e	<b>35,833,571.</b>			
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	0.			

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X. . . . .

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing . . . . .	631,066.	<b>1</b>	457,097.
	<b>2</b> Savings and temporary cash investments . . . . .	3,121,200.	<b>2</b>	1,407,245.
	<b>3</b> Pledges and grants receivable, net . . . . .	0.	<b>3</b>	0.
	<b>4</b> Accounts receivable, net . . . . .	6,077,791.	<b>4</b>	5,868,984.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .	0.	<b>5</b>	0.
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L . . . . .	0.	<b>6</b>	0.
	<b>7</b> Notes and loans receivable, net . . . . .	0.	<b>7</b>	0.
	<b>8</b> Inventories for sale or use . . . . .	0.	<b>8</b>	0.
	<b>9</b> Prepaid expenses and deferred charges . . . . .	1,026,330.	<b>9</b>	1,460,666.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b> 45,803,725.		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 32,290,344.	12,574,094.	<b>10c</b> 13,513,381.
	<b>11</b> Investments - publicly traded securities . . . . .	56,117,474.	<b>11</b>	61,803,743.
	<b>12</b> Investments - other securities. See Part IV, line 11 . . . . .	0.	<b>12</b>	0.
	<b>13</b> Investments - program-related. See Part IV, line 11 . . . . .	0.	<b>13</b>	0.
	<b>14</b> Intangible assets . . . . .	0.	<b>14</b>	0.
	<b>15</b> Other assets. See Part IV, line 11 . . . . .	0.	<b>15</b>	0.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	79,547,955.	<b>16</b>	84,511,116.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	3,941,300.	<b>17</b>	2,642,899.
	<b>18</b> Grants payable . . . . .	0.	<b>18</b>	0.
	<b>19</b> Deferred revenue . . . . .	278,210.	<b>19</b>	250,648.
	<b>20</b> Tax-exempt bond liabilities . . . . .	0.	<b>20</b>	0.
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .	0.	<b>21</b>	0.
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .	0.	<b>22</b>	0.
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .	0.	<b>23</b>	0.
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0.	<b>24</b>	0.
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .	6,013,641.	<b>25</b>	7,180,957.
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .	10,233,151.	<b>26</b>	10,074,504.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .	69,314,804.	<b>27</b>	74,436,612.
	<b>28</b> Temporarily restricted net assets . . . . .	0.	<b>28</b>	0.
	<b>29</b> Permanently restricted net assets . . . . .	0.	<b>29</b>	0.
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>32</b>	
	<b>33</b> Total net assets or fund balances . . . . .	69,314,804.	<b>33</b>	74,436,612.
	<b>34</b> Total liabilities and net assets/fund balances . . . . .	79,547,955.	<b>34</b>	84,511,116.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI.

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	<b>1</b>	41,318,901.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25) . . . . .	<b>2</b>	35,833,571.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1 . . . . .	<b>3</b>	5,485,330.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	<b>4</b>	69,314,804.
<b>5</b>	Net unrealized gains (losses) on investments . . . . .	<b>5</b>	-363,522.
<b>6</b>	Donated services and use of facilities . . . . .	<b>6</b>	0.
<b>7</b>	Investment expenses . . . . .	<b>7</b>	0.
<b>8</b>	Prior period adjustments . . . . .	<b>8</b>	0.
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	<b>9</b>	0.
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B)) . . . . .	<b>10</b>	74,436,612.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII.

- 1** Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant? . . . . .  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
<b>2a</b>		X
<b>2b</b>	X	
<b>2c</b>	X	
<b>3a</b>		X
<b>3b</b>		

Form **990** (2016)

**SCHEDULE C**  
**(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2016**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

**For Organizations Exempt From Income Tax Under section 501(c) and section 527**  
 ▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**  
 ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).**

**If the organization answered "Yes," on Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then**

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

**If the organization answered "Yes," on Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then**

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

**If the organization answered "Yes," on Form 990, Part IV, line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then**

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization MUNICIPAL SECURITIES RULEMAKING BOARD	Employer identification number 52-1042433
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**Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.**

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. (see instructions for definition of "political campaign activities")
- 2 Political campaign activity expenditures (see instructions) . . . . . ▶ \$ \_\_\_\_\_
- 3 Volunteer hours for political campaign activities (see instructions) . . . . . \_\_\_\_\_

**Part I-B Complete if the organization is exempt under section 501(c)(3).**

- 1 Enter the amount of any excise tax incurred by the organization under section 4955. . . . . ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . . . . ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . .  Yes  No
- 4a Was a correction made? . . . . .  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).**

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities. . . . . ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ \$ \_\_\_\_\_
- 3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year? . . . . .  Yes  No
- 5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule C (Form 990 or 990-EZ) 2016



**Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

- A Check  if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).
- B Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures</b> (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying) . . . . .														
1b Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .														
1c Total lobbying expenditures (add lines 1a and 1b) . . . . .														
1d Other exempt purpose expenditures . . . . .														
1e Total exempt purpose expenditures (add lines 1c and 1d) . . . . .														
1f Lobbying nontaxable amount. Enter the amount from the following table in both columns.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </tbody> </table>	If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e.													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.													
Over \$17,000,000	\$1,000,000.													
g Grassroots nontaxable amount (enter 25% of line 1f) . . . . .														
h Subtract line 1g from line 1a. If zero or less, enter -0- . . . . .														
i Subtract line 1f from line 1c. If zero or less, enter -0- . . . . .														
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No												

**4-Year Averaging Period Under section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
Calendar year (or fiscal year beginning in)	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

Table with 3 main columns: Description, (a) Yes/No, and (b) Amount. Rows include questions about lobbying activities like volunteers, paid staff, media, mailings, etc.

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

Table with 3 columns: Question, Yes, No. Rows include questions about dues, lobbying expenditures, and carryover.

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No," OR (b) Part III-A, line 3, is answered "Yes."

Table with 3 columns: Question, Yes/No, Amount. Rows include questions about dues, political expenses, and carryover.

Part IV Supplemental Information

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions); and Part II-B, line 1. Also, complete this part for any additional information.

Blank lines for providing supplemental information.

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**Part IV** Supplemental Information *(continued)*

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SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2016

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization

Employer identification number

MUNICIPAL SECURITIES RULEMAKING BOARD

52-1042433

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. (2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register), 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year, 4 Number of states where property subject to conservation easement is located, 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?, 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?, 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: Revenue, Assets. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included in Form 990, Part VIII, line 1, (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenue included in Form 990, Part VIII, line 1, b Assets included in Form 990, Part X.

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2016

JSA 6E1268 1.000

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment \_\_\_\_\_%
  - b Permanent endowment \_\_\_\_\_%
  - c Temporarily restricted endowment \_\_\_\_\_%
- The percentages on lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?	3b	

- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		4,040,651.	567,601.	3,473,050.
d Equipment		5,009,614.	3,593,878.	1,415,736.
e Other		36,753,460.	28,128,865.	8,624,595.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				13,513,381.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ►	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) DEFERRED RENT	6,910,709.	
(3) DEFERRED COMPENSATION	270,248.	
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►		

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements . . . . .		<b>1</b>	40,955,379.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments . . . . .	2a		-363,522.
b	Donated services and use of facilities . . . . .	2b		
c	Recoveries of prior year grants . . . . .	2c		
d	Other (Describe in Part XIII.) . . . . .	2d		
e	Add lines 2a through 2d . . . . .		<b>2e</b>	-363,522.
3	Subtract line 2e from line 1 . . . . .		<b>3</b>	41,318,901.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a		
b	Other (Describe in Part XIII.) . . . . .	4b		
c	Add lines 4a and 4b . . . . .		<b>4c</b>	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) . . . . .		<b>5</b>	41,318,901.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements . . . . .		<b>1</b>	35,833,571.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities . . . . .	2a		
b	Prior year adjustments . . . . .	2b		
c	Other losses . . . . .	2c		
d	Other (Describe in Part XIII.) . . . . .	2d		
e	Add lines 2a through 2d . . . . .		<b>2e</b>	
3	Subtract line 2e from line 1 . . . . .		<b>3</b>	35,833,571.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a		
b	Other (Describe in Part XIII.) . . . . .	4b		
c	Add lines 4a and 4b . . . . .		<b>4c</b>	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) . . . . .		<b>5</b>	35,833,571.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5



**Part XIII** Supplemental Information *(continued)*

TEXT OF FIN 48 (ASC 740) FOOTNOTE- FORM 990, SCHEDULE D, PART X, LINE 2  
THE MSRB ADDRESSES UNCERTAIN TAX POSITIONS IN ACCORDANCE WITH ASC TOPIC  
740, INCOME TAXES, WHICH PROVIDES GUIDANCE FOR HOW UNCERTAIN TAX  
POSITIONS SHOULD BE RECOGNIZED, MEASURED, PRESENTED AND DISCLOSED IN  
FINANCIAL STATEMENTS. DURING THE YEARS FROM 2014 TO 2017, WHICH REPRESENT  
THE YEARS MANAGEMENT CONSIDERS TO BE OPEN FOR EXAMINATION BY TAXING  
AUTHORITIES, MANAGEMENT DID NOT IDENTIFY THE EXISTENCE OF ANY UNCERTAIN  
TAX POSITION.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
▶ Attach to Form 990.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Name of the organization

MUNICIPAL SECURITIES RULEMAKING BOARD

Employer identification number

52-1042433

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                                | <input type="checkbox"/> Payments for business use of personal residence    |
| <input checked="" type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account                       | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee              | <input checked="" type="checkbox"/> Written employment contract                     |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? . . . . .
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? . . . . .
- c** Participate in, or receive payment from, an equity-based compensation arrangement? . . . . .
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? . . . . .
- b** Any related organization? . . . . .
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III. . . . .

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III . . . . .

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? . . . . .

	Yes	No
<b>1a</b>	X	
<b>2</b>	X	
<b>3</b>		
<b>4a</b>		X
<b>4b</b>	X	
<b>4c</b>		X
<b>5a</b>		
<b>5b</b>		
<b>6a</b>		
<b>6b</b>		
<b>7</b>		
<b>8</b>		
<b>9</b>		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2016

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	ROBERT P. COCHRAN FORMER DIRECTOR	(i) 33,750.	0.	0.	0.	0.	33,750.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2	MARCY EDWARDS FORMER DIRECTOR	(i) 30,183.	0.	0.	0.	0.	30,183.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3	JAMES D. MCKINNEY FORMER DIRECTOR	(i) 33,750.	0.	0.	0.	0.	33,750.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4	NATHANIEL SINGER FORMER DIRECTOR, BOARD CHAIR	(i) 60,000.	0.	0.	0.	0.	60,000.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5	BRIAN L. WYNNE FORMER DIRECTOR	(i) 37,500.	0.	0.	0.	0.	37,500.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6	LYNNETTE KELLY EXECUTIVE DIRECTOR	(i) 710,294.	141,480.	26,531.	150,072.	20,444.	1,048,821.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7	ELIZABETH A. WOLFE TREASURER, CFO AND CRO	(i) 371,180.	57,500.	0.	21,200.	22,703.	472,583.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8	NANETTE D. LAWSON TREASURER AND CFO	(i) 175,119.	11,000.	0.	13,940.	38,612.	238,671.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9	RONALD W. SMITH CORPORATE SECRETARY	(i) 202,302.	8,000.	0.	18,930.	14,052.	243,284.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10	SARA MAJROH ASSISTANT CORPORATE SECRETARY	(i) 134,066.	10,500.	0.	13,159.	10,531.	168,256.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11	ROBERT FIPPINGER CHIEF LEGAL OFFICER	(i) 593,222.	80,000.	0.	18,550.	23,524.	715,296.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12	JOHN A. BAGLEY CHIEF MARKET STRUCTURE OFFICER	(i) 409,300.	61,500.	0.	18,550.	35,877.	525,227.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13	ALAN MORISATO CHIEF OPS AND TECH OFFICER	(i) 381,474.	57,500.	50,000.	23,850.	6,179.	519,003.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14	MICHAEL POST GENERAL COUNSEL	(i) 382,428.	47,800.	30,000.	18,550.	12,508.	491,286.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15	RITTA MCLAUGHLIN CHIEF EDUCATION OFFICER	(i) 309,842.	54,400.	0.	21,290.	17,840.	403,372.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16	GAIL MARSHALL CHIEF COMPLIANCE OFFICER	(i) 268,764.	18,000.	0.	20,162.	24,252.	331,178.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	JENNIFER A. GALLOWAY CHIEF COMMUNICATIONS OFFICER	(i) 256,884.	(ii) 18,750.	(iii) 0.	23,568.	13,771.	312,973.	0.
	(ii)	0.	0.	0.	0.	0.	0.	
2	MARGARET BLAKE ASSOCIATE GENERAL COUNSEL	(i) 243,163.	(ii) 3,000.	(iii) 0.	17,710.	35,943.	299,816.	0.
	(ii)	0.	0.	0.	0.	0.	0.	
3		(i)						
	(ii)							
4		(i)						
	(ii)							
5		(i)						
	(ii)							
6		(i)						
	(ii)							
7		(i)						
	(ii)							
8		(i)						
	(ii)							
9		(i)						
	(ii)							
10		(i)						
	(ii)							
11		(i)						
	(ii)							
12		(i)						
	(ii)							
13		(i)						
	(ii)							
14		(i)						
	(ii)							
15		(i)						
	(ii)							
16		(i)						
	(ii)							

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

ADDITIONAL BENEFITS PROVIDED- FORM 990, SCHEDULE J, PART I, LINE 1A

THE MSRB REIMBURSES BOARD MEMBERS AND THE EXECUTIVE DIRECTOR FOR THE COST OF COACH CLASS AIR TRAVEL FOR FLIGHTS OF 3 HOURS OR LESS IN TOTAL ONE-WAY TRIP DURATION. FOR AIR TRAVEL MORE THAN 3 HOURS IN TOTAL ONE-WAY TRIP DURATION, THE MSRB REIMBURSES BOARD MEMBERS AND THE EXECUTIVE DIRECTOR FOR THE USE OF BUSINESS CLASS WHEN AVAILABLE, OR IF ONLY TWO CLASSES OF SERVICE ARE OFFERED, FIRST CLASS. BOARD MEMBERS AND THE EXECUTIVE DIRECTOR ARE REIMBURSED THE COSTS OF BUSINESS CLASS RAIL FARES. THE MSRB HAS DETERMINED THIS MEETS THE BUSINESS REQUIREMENT STANDARD FOR NOT TREATING THE BENEFIT AS COMPENSATORY ON THE FORM W-2 OR 1099. GROSS-UP PAYMENTS ARE PROVIDED TO THE EXECUTIVE DIRECTOR FOR A TAXABLE SUPPLEMENTAL LIFE INSURANCE POLICY AND LONG-TERM DISABILITY COVERAGE.

NON-QUALIFIED RETIREMENT PLAN - FORM 990, SCHEDULE J, PART I, LINE 4

LYNNETTE KELLY, EXECUTIVE DIRECTOR, PARTICIPATED IN A 457(F) SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. A CONTRIBUTION OF \$126,222 WAS MADE.

PART VII-A AND SCHEDULE J - FY 2017 CFO POSITION

ELIZABETH WOLFE SERVED AS CFO AND TREASURER UNTIL APRIL 1, 2017; NANETTE

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**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

---

LAWSON SERVED AS DEPUTY CFO AND ASSISTANT TREASURER UNTIL APRIL 1, 2017

AND ASSUMED THE CFO AND TREASURER ROLE ON APRIL 1, 2017.

**SCHEDULE O  
(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

Name of the organization

MUNICIPAL SECURITIES RULEMAKING BOARD

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No. 1545-0047

**2016**

**Open to Public  
Inspection**

Employer identification number

52-1042433

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION'S MISSION  
THE MISSION OF THE MSRB IS TO PROTECT INVESTORS, STATE AND LOCAL  
GOVERNMENT ISSUERS, OTHER MUNICIPAL ENTITIES, AND THE PUBLIC INTEREST BY  
PROMOTING A FAIR AND EFFICIENT MUNICIPAL MARKET THROUGH:

1. THE ESTABLISHMENT OF RULES FOR DEALERS AND MUNICIPAL ADVISORS,
2. THE COLLECTION AND DISSEMINATION OF MARKET INFORMATION, AND
3. MARKET LEADERSHIP, OUTREACH AND EDUCATION.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS  
ESTABLISHING REGULATIONS AND SUPPORTING GUIDANCE FOR MUNICIPAL ADVISORS  
AND DEALERS: THE MSRB WAS CREATED BY CONGRESS TO REGULATE SECURITIES  
FIRMS, BANKS AND MUNICIPAL ADVISORS THAT ENGAGE IN MUNICIPAL SECURITIES  
AND MUNICIPAL ADVISORY ACTIVITIES (COLLECTIVELY "REGULATED ENTITIES")  
WITH THE GOAL OF PROTECTING INVESTORS, MUNICIPAL ENTITIES, OBLIGATED  
PERSONS AND THE PUBLIC INTEREST. MSRB RULES SEEK TO PREVENT MANIPULATION  
AND FRAUD IN THE MUNICIPAL MARKET, PROMOTE FAIR AND EFFICIENT  
TRANSACTIONS, AND SUPPORT A FREE AND OPEN MARKET IN MUNICIPAL SECURITIES  
AND MUNICIPAL FINANCIAL PRODUCTS. MSRB RULES GENERALLY ARE DEVELOPED WITH  
EXTENSIVE INPUT FROM THE PUBLIC AND THE MUNICIPAL SECURITIES INDUSTRY,  
WITH AN ECONOMIC ANALYSIS TO ENHANCE THE EFFECTIVENESS AND EFFICIENCY OF  
THE MSRB'S RULEMAKING, AND TO MEET THE APPROVAL STANDARDS OF THE  
SECURITIES AND EXCHANGE COMMISSION (SEC). ONCE DEVELOPED, ALL MSRB RULES  
MUST BE APPROVED BY THE SEC PRIOR TO EFFECTIVENESS, UNLESS OTHERWISE  
ALLOWED BY LAW.



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THE MSRB ALSO PROVIDES ONGOING EDUCATION, TRAINING AND COMPLIANCE SUPPORT TO ENSURE UNDERSTANDING BY AND COMPLIANCE WITH MSRB RULES BY REGULATED ENTITIES, AND OPERATES PROGRAMS THAT SUPPORT THE QUALIFICATION OF PROFESSIONALS EMPLOYED BY REGULATED ENTITIES.

THE MSRB DOES NOT ENFORCE ITS RULES BUT FOLLOWS ESTABLISHED PROCEDURES FOR COORDINATING COOPERATIVELY WITH ENFORCEMENT AGENCIES CHARGED WITH ENFORCING MSRB RULES.

INFORMATION REGARDING THE MSRB'S RULES, RULEMAKING--INCLUDING RULE INTERPRETATIONS, REQUESTS FOR COMMENT, NOTICES TO REGULATED ENTITIES, RULE FILINGS SUBMITTED TO THE SEC AND COMPLIANCE RESOURCES DEVELOPED IN CONJUNCTION WITH NEW RULES OR TO CLARIFY THE APPLICATION OF EXISTING RULES--IS DISPLAYED ON THE MSRB'S CORPORATE WEBSITE, AT WWW.MSRB.ORG.

REGULATORY, PROFESSIONAL QUALIFICATION AND COMPLIANCE ACTIVITIES DURING FY 2017 INCLUDE:

MUNICIPAL ADVISOR-RELATED ACTIVITY

RULES APPROVED

- CONTINUING EDUCATION REQUIREMENTS FOR MUNICIPAL ADVISORS (MSRB RULES G-3 AND G-8)
- INVESTOR AND MUNICIPAL ADVISORY CLIENT EDUCATION AND PROTECTION AND RELATED RECORDKEEPING RULES (MSRB RULE G-8, G-9, AND G-10)

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## RULES ADVANCED

- PUBLISHED REQUEST FOR COMMENT ON A DRAFT NEW RULE ON ADVERTISING STANDARDS FOR MUNICIPAL ADVISORS (MSRB DRAFT RULE G-40)

## GUIDANCE PUBLISHED

- PUBLICATION OF GUIDANCE COMPREHENSIVELY SUMMARIZING THE REGULATORY FRAMEWORK FOR MUNICIPAL ADVISORS AND ADDRESSING HOW THE FRAMEWORK APPLIES TO SOLICITOR MUNICIPAL ADVISORS, WHO SOLICIT MUNICIPAL ENTITIES AND OBLIGATED PERSONS FOR BUSINESS ON BEHALF OF CERTAIN OTHER FINANCIAL PROFESSIONALS
- PUBLICATION OF GUIDANCE ADDRESSING THE APPLICABILITY OF RULE G-42, ON MUNICIPAL ADVISOR STANDARDS OF CONDUCT, TO SEVERAL SCENARIOS THAT MAY ARISE IN CONNECTION WITH THE ISSUANCE OF MUNICIPAL SECURITIES FOR A CONDUIT BORROWER
- PUBLICATION OF GUIDANCE REGARDING THE ELECTRONIC DELIVERY AND RECEIPT OF INFORMATION BY MUNICIPAL ADVISORS UNDER RULE G-32, ON DISCLOSURES IN CONNECTION WITH PRIMARY OFFERINGS

## OTHER ACTIVITY

- ENGAGED IN A YEAR-LONG OUTREACH EFFORT TO PROMOTE UNDERSTANDING OF AND COMPLIANCE WITH THE SEPTEMBER 12, 2017 DEADLINE FOR THE MUNICIPAL ADVISOR REPRESENTATIVE QUALIFICATION EXAM (SERIES 50). THROUGHOUT THIS ENGAGEMENT, THE MSRB PROVIDED RESOURCES AND ASSISTANCE TO FIRMS AND INDIVIDUALS PREPARING TO TAKE THE EXAM, INCLUDING EDUCATIONAL WEBINARS

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## AND ANSWERS TO FREQUENTLY ASKED QUESTIONS

- PUBLISHED COMPLIANCE ADVISORY FOR MUNICIPAL ADVISORS
- PUBLISHED FAQs ON MSRB RULES ON INVESTOR AND MUNICIPAL ADVISORY CLIENT EDUCATION AND PROTECTION

## DEALER-RELATED ACTIVITY

## RULES APPROVED

- MODERNIZATION OF CUSTOMER COMPLAINT AND RELATED RECORDKEEPING RULES FOR MUNICIPAL SECURITIES DEALERS (MSRB RULE G-8, G-9, G-10 AND G-32)
- AMENDMENTS TO MSRB RULE G-26, ON CUSTOMER ACCOUNT TRANSFERS, TO MODERNIZE THE RULE AND PROMOTE A UNIFORM CUSTOMER ACCOUNT TRANSFER STANDARD FOR ALL BROKERS, DEALERS, MUNICIPAL SECURITIES BROKERS AND MUNICIPAL SECURITIES DEALERS
- AMENDMENTS TO MSRB RULE G-15 AND G-30 REQUIRING DEALERS TO DISCLOSE ADDITIONAL INFORMATION ON RETAIL CUSTOMER CONFIRMATIONS FOR A SPECIFIED CLASS OF PRINCIPAL TRANSACTIONS, INCLUDING THE DEALER'S MARK-UP OR MARK-DOWN AS DETERMINED FROM THE PREVAILING MARKET PRICE OF THE SECURITY
- AMENDMENTS TO PROVISIONS RELATED TO MUNICIPAL FUND SECURITY PRODUCT ADVERTISEMENTS (RULE G-21)

## RULES ADVANCED

- PUBLICATION OF TWO REQUESTS FOR COMMENT ON DRAFT AMENDMENTS TO AND CLARIFICATIONS OF MSRB RULE G-34, ON OBTAINING CUSIP NUMBERS
- PUBLICATION OF REQUEST FOR COMMENT ON DRAFT AMENDMENTS TO MSRB FORM G-45 UNDER RULE G-45, ON REPORTING OF INFORMATION ON MUNICIPAL FUND

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## SECURITIES

- PUBLICATION OF A REQUEST FOR COMMENT ON A CONCEPT PROPOSAL ON PRIMARY OFFERING PRACTICES (RULES G-11 AND G-32)

## GUIDANCE

- PROVIDED IMPLEMENTATION GUIDANCE TO FACILITATE COMPLIANCE WITH AMENDMENTS TO MSRB RULE G-15 REQUIRING DEALERS TO DISCLOSE ADDITIONAL INFORMATION ON RETAIL CUSTOMER CONFIRMATIONS FOR A SPECIFIED CLASS OF PRINCIPAL TRANSACTIONS, INCLUDING THE DEALER'S MARK-UP OR MARK-DOWN AS DETERMINED FROM THE PREVAILING MARKET PRICE OF THE SECURITY
- PUBLICATION OF COMPLIANCE ADVISORY FOR MUNICIPAL SECURITIES DEALERS
- ISSUED INTERPRETIVE NOTICE ON THE APPLICATION OF MSRB RULES TO TRANSACTIONS IN MANAGED ACCOUNTS
- GUIDANCE ON APPLICATION OF MSRB INVESTOR PROTECTION RULES TO ACHIEVING A BETTER LIFE EXPERIENCE (ABLE) PROGRAMS
- PUBLISHED 2016 COMPLIANCE ADVISORY FOR DEALERS

## ADMINISTRATIVE ACTIVITY RULES ADOPTED

- AMENDMENT TO MSRB RULE A-13 ON UNDERWRITING AND TRANSACTION ASSESSMENTS FOR BROKERS, DEALERS AND MUNICIPAL SECURITIES DEALERS, TO ASSESS AN UNDERWRITING FEE ON DEALERS THAT ARE UNDERWRITERS OF PRIMARY OFFERINGS OF PLANS AS DEFINED UNDER RULE G-45, AT AN ANNUAL ASSESSMENT OF \$0.005 PER \$1,000 PAR IN TOTAL AGGREGATE ASSETS, EFFECTIVE IN FY 2018
- AMENDMENT TO MSRB RULE A-11 ON ASSESSMENTS FOR MUNICIPAL ADVISOR PROFESSIONALS, TO MODIFY THE FEE CHARGED FROM \$300 TO \$500, EFFECTIVE IN

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FY 2018

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS

COLLECTING AND DISSEMINATING MARKET INFORMATION: THE MSRB COLLECTS MUNICIPAL MARKET DOCUMENTS AND DATA FROM REGULATED ENTITIES, MUNICIPAL ENTITIES, OBLIGATED PERSONS AND/OR THEIR AGENTS AND MAKES THE INFORMATION PUBLICLY AVAILABLE. THE COLLECTION AND DISSEMINATION OF THIS INFORMATION SERVES A CRITICAL ROLE IN PRESERVING FAIRNESS AND EFFICIENCY OF THE MUNICIPAL MARKET. THE MSRB ENSURES THAT THE MARKET OPERATES TRANSPARENTLY AND EFFICIENTLY BY REDISSEMINATING THIS INFORMATION TO MUNICIPAL MARKET PARTICIPANTS, AND TO REGULATORS CHARGED WITH EXAMINING FOR COMPLIANCE WITH AND ENFORCING MSRB RULES, AND OTHER REGULATORY AND POLICYMAKING BODIES.

UNDER ITS RULEMAKING AUTHORITY, THE MSRB HAS ESTABLISHED "INFORMATION FACILITIES" THAT PROVIDE THE LEGAL FOUNDATION FOR THE COLLECTION AND DISSEMINATION OF MUNICIPAL MARKET INFORMATION. THESE FACILITIES PROVIDE THE MSRB WITH THE AUTHORITY TO COLLECT MUNICIPAL TRANSACTION PRICES (WITH RESPECT TO CUSTOMER AND INTER-DEALER TRANSACTIONS IN MUNICIPAL SECURITIES); OFFICIAL STATEMENTS, PRELIMINARY OFFICIAL STATEMENTS, AND ADVANCE REFUNDING DOCUMENTS (IN CONNECTION WITH NEW ISSUES OF MUNICIPAL SECURITIES); CONTINUING DISCLOSURE DOCUMENTS (IN CONNECTION WITH OUTSTANDING ISSUES OF MUNICIPAL SECURITIES); INTEREST RATE INFORMATION AND RELATED DOCUMENTATION FOR CERTAIN SHORT-TERM OBLIGATIONS (IN CONNECTION WITH OUTSTANDING VARIABLE RATE DEMAND OBLIGATIONS AND AUCTION RATE SECURITIES); AND INFORMATION REGARDING BUSINESS UNDERTAKEN BY, AND

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CERTAIN POLITICAL CONTRIBUTIONS MADE BY, DEALERS AND MUNICIPAL ADVISORS OR THEIR PROFESSIONALS AND CERTAIN RELATED POLITICAL ACTION COMMITTEES (IN CONNECTION WITH THE MSRB'S PAY-TO-PLAY RULE).

THE MSRB PROVIDES MOST OF THIS INFORMATION TO THE PUBLIC, FREE OF CHARGE, ON ITS ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA®) WEBSITE AT EMMA.MSRB.ORG. IN ADDITION, ACCESS TO MOST INFORMATION COLLECTED BY THE MSRB IS AVAILABLE TO SUBSCRIBERS THROUGH PAID AUTOMATED SUBSCRIPTION SERVICES. AS OF THE END OF FY 2017, THE MSRB OFFERED FIVE PRINCIPAL DATA PRODUCTS WITH APPROXIMATELY 152 ACTIVE SUBSCRIPTION AGREEMENTS.

DURING FY 2017, THE MSRB MADE ENHANCEMENTS TO MARKET INFORMATION PROVIDED ON EMMA THAT INCLUDES:

- A FREE NEW ISSUE CALENDAR LISTING THE MUNICIPAL BOND ISSUES SCHEDULED TO COME TO MARKET AND THOSE RECENTLY SOLD THAT ENABLES INDIVIDUAL INVESTORS, ISSUERS AND OTHER MARKET PARTICIPANTS TO SEE THE BREADTH AND DEPTH OF NEW BOND ISSUES COMING TO MARKET AS WELL AS FINAL PRICING INFORMATION FOR BOND ISSUES SOLD THROUGH COMPETITIVE AND NEGOTIATED SALES.
- IMPROVED EMMA ALERTS THAT ALLOW USERS TO MODIFY THEIR PREFERENCES TO SUBSCRIBE TO SPECIFIC TYPES OF CONTINUING DISCLOSURE FILINGS, SUCH AS AUDITED FINANCIAL STATEMENTS OR BOND CALLS. AN IMPROVED EMAIL DESIGN PROVIDES MORE DESCRIPTIVE INFORMATION ABOUT SPECIFIC SECURITIES AND THE TRADE ACTIVITY OR NEWLY FILED DISCLOSURE DOCUMENTS THAT TRIGGERED THE ALERT.

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- AVAILABILITY OF PUBLIC ACCESS TO MUNICIPAL MARKET YIELD CURVES AND INDICES FROM THIRD-PARTY PROVIDERS ON EMMA. EACH MARKET INDICATOR IS BASED ON TAX-EXEMPT BONDS AND CAN BE USEFUL FOR UNDERSTANDING THE GENERAL LEVEL AND DIRECTION OF MUNICIPAL BOND INTEREST RATES AND COMPARING THE RELATIVE YIELDS OF SPECIFIC MUNICIPAL SECURITIES.

- ENHANCED MUNICIPAL MARKET STATISTICS ON EMMA WHICH INCLUDE VIEWS OF THE MOST ACTIVELY TRADED SECURITIES AND MOST ACTIVE ISSUERS BY PAR AMOUNT OR NUMBER OF TRADES. THE ENHANCED STATISTICS ALSO PROVIDE A STATE-BY-STATE VIEW OF TRADING IN THE PRIMARY AND SECONDARY MARKET.

THE MSRB MADE SIGNIFICANT PROGRESS ON A LONG-TERM EFFORT TO REENGINEER ITS REAL-TIME TRANSACTION REPORTING SYSTEM (RTRS) TO PREPARE FOR PARALLEL PROCESSING DURING FY 2018.

THE MSRB FACILITATED ACADEMIC RESEARCH INTO THE MUNICIPAL MARKET BY MAKING ITS ACADEMIC HISTORICAL TRANSACTION DATA PRODUCT, WHICH CONSISTS OF POST-TRADE MUNICIPAL SECURITIES TRANSACTION DATA INCLUDING ANONYMIZED DEALER INFORMATION, AVAILABLE TO ACADEMIC INSTITUTIONS. THE MSRB ALSO MAKES TRADE DATA AVAILABLE THROUGH THE WHARTON RESEARCH DATA SERVICES (WRDS) PLATFORM.

ADDITIONALLY, DURING FY 2017, THE MSRB CONDUCTED ORGANIZATIONAL AND INDUSTRY-WIDE BUSINESS CONTINUITY TESTING IN COMPLIANCE WITH SEC'S REGULATION SYSTEMS COMPLIANCE AND INTEGRITY RULES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS  
ENGAGING IN EDUCATION, OUTREACH AND MARKET LEADERSHIP: THE MSRB ENGAGES

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WITH MUNICIPAL MARKET PARTICIPANTS, REGULATORS AND POLICY MAKERS TO BUILD UNDERSTANDING OF THE MUNICIPAL MARKET AND TO PROMOTE PRACTICES AND POLICIES, AS WELL AS PROBLEM-SOLVING, THAT PROTECT INVESTORS, MUNICIPAL ENTITIES, OBLIGATED PERSONS AND THE PUBLIC INTEREST. THE MSRB ALSO ENGAGES IN EDUCATION AND OUTREACH ACTIVITIES TO SUPPORT THE UNDERSTANDING OF THE MUNICIPAL MARKET AND TO HELP FURTHER PROTECT INVESTORS, MUNICIPAL ENTITIES, OBLIGATED PERSONS AND THE PUBLIC INTEREST.

DURING FY 2017, HIGHLIGHTS IN THIS AREA INCLUDE:

- INCREASED AVAILABILITY OF QUALITY MUNICIPAL SECURITIES MARKET EDUCATION BY ADDING EIGHT COURSES TO (MUNIEDPRO®), A SUITE OF INTERACTIVE, ONLINE COURSES ABOUT MARKET ACTIVITIES AND MSRB RULES. COURSE ADDITIONS INCLUDED ONE FREE COURSE EACH FOR MUNICIPAL SECURITIES INVESTORS AND ISSUERS, AND SIX COURSES COVERING MSRB RULES
- SUPPORTED UNDERSTANDING OF MSRB REGULATIONS BY PUBLISHING SUPPORTING EDUCATIONAL CONTENT, AND OFFERING 13 WEBINARS ON MSRB RULES AND ACTIVITIES FOR MORE THAN 3,600 PARTICIPANTS
- PRODUCED EDUCATIONAL MATERIALS FOR INVESTORS AND ISSUERS ON TOPICS SUCH AS GETTING A FAIR PRICE FOR MUNICIPAL BONDS AND HOW BONDS ARE QUOTED AND PRICED
- PARTICIPATED IN 100 INDUSTRY EVENTS TO AN AUDIENCE OF APPROXIMATELY 13,000 MARKET PARTICIPANTS ON TOPICS SUCH AS CONTINUING DISCLOSURE COMPLIANCE AND WHAT TO EXPECT FROM MUNICIPAL FINANCE PROFESSIONALS
- HOSTED THE SEMI-ANNUAL MSRB INDUSTRY ROUNDTABLE, AS WELL AS A POLICY ROUNDTABLE DISCUSSION ON INFRASTRUCTURE, CONSISTENT WITH THE MSRB'S ROLE



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AS A FACILITATOR OF MARKET-WIDE DISCUSSIONS ABOUT IMPORTANT ISSUES

- CONDUCTED MUNICIPAL ADVISOR SUMMIT WITH MUNICIPAL ADVISOR FIRMS TO SUPPORT COMPLIANCE WITH MSRB RULES
- COORDINATED WITH SEC, FINRA AND BANK REGULATORS TO DELIVER EXAMINER TRAINING TO A TOTAL OF 565 ATTENDEES AT VARIOUS TRAINING EVENTS
- PARTNERED WITH MUNICIPAL FORUM OF NEW YORK TO HOST MUNICIPAL FINANCE DAY IN WASHINGTON, DC FOR HIGH SCHOOL GRADUATES PARTICIPATING IN URBAN LEADERSHIP FELLOWS PROGRAM
- PUBLISHED MARKET ADVISORY AND OP-ED ON ISSUER'S DESIGNATION OF UNDERWRITER'S COUNSEL
- PUBLISHED MARKET ADVISORY AND OP-ED ON THE PRACTICE OF CERTAIN MUNICIPAL SECURITIES ISSUERS MAKING SELECTIVE DISCLOSURE OF INFORMATION TO CERTAIN INVESTORS
- PUBLISHED POLICYMAKER RESOURCE, MUNICIPAL SECURITIES: FINANCING THE NATION'S INFRASTRUCTURE, AND OP-ED ABOUT THE ROLE OF MUNICIPAL SECURITIES IN INFRASTRUCTURE FINANCE
- PUBLISHED OP-ED ON THE MSRB'S APPROACH TO KEEPING ITS REGULATIONS FOR MUNICIPAL SECURITIES DEALERS AND MUNICIPAL ADVISORS UP-TO-DATE
- PUBLISHED COLUMN IN THE JOURNAL OF GOVERNMENT FINANCIAL MANGEMENT, THE QUARTERLY PUBLICATION FROM THE ASSOCIATION OF GOVERNMENT ACCOUNTANTS, DISCUSSING THE IMPORTANCE OF DISCLOSURE BY MUNICIPAL SECURITIES ISSUERS
- SUBMITTED A COMMENT LETTER TO THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) IN RESPONSE TO THE ORGANIZATION'S ONGOING RESEARCH AND OUTREACH EFFORTS ON THE TOPIC OF DISCLOSURE BY STATE AND LOCAL GOVERNMENT BOND ISSUERS RELATED TO DEBT, INCLUDING DIRECT BORROWINGS AND DIRECT

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## PLACEMENTS

- SUBMITTED A COMMENT LETTER TO THE SECURITIES AND EXCHANGE COMMISSION ON PROPOSED AMENDMENTS TO REQUIRE ISSUERS AND OBLIGATED PERSONS TO POST EVENT NOTICES THAT WOULD INCLUDE THEIR INCURRENCE OF A MATERIAL BANK LOAN OR DIRECT PURCHASE OF MUNICIPAL SECURITIES

- SUBMITTED LETTER TO THE SEC OFFICE OF THE INVESTOR ADVOCATE IN RESPONSE TO A REQUEST FOR THE MSRB'S PERSPECTIVE ON PRODUCTS AND PRACTICES WITHIN THE MUNICIPAL SECURITIES MARKET THAT MAY HAVE AN ADVERSE IMPACT ON RETAIL INVESTORS.

FAMILY & BUS. RELATIONSHIP - FORM 990, PART VI, SECTION A, LINE 2  
NO OFFICER, DIRECTOR, TRUSTEE, OR KEY EMPLOYEE HAS A FAMILY RELATIONSHIP OR BUSINESS RELATIONSHIP (AS SUCH TERMS ARE DEFINED FOR PURPOSES OF FORM 990) WITH ANY OTHER OFFICER, DIRECTOR, TRUSTEE, OR KEY EMPLOYEE. AS CONTEMPLATED BY THE CONGRESSIONALLY MANDATED STRUCTURE OF THE MSRB'S BOARD OF DIRECTORS (WHICH SERVES AS THE ORGANIZATION'S GOVERNING BODY) AS A SELF-REGULATORY ORGANIZATION UNDER THE FEDERAL SECURITIES LAWS, THE EMPLOYERS OF SOME MEMBERS OF THE BOARD OF DIRECTORS, AND SUCH MEMBERS IN THEIR CAPACITIES AS EMPLOYEES OF THEIR EMPLOYERS, FROM TIME TO TIME TRANSACT BUSINESS WITH ONE ANOTHER IN THE ORDINARY COURSE OF THEIR BUSINESS AS PARTICIPANTS IN THE MUNICIPAL MARKET ON THE SAME TERMS AS ARE GENERALLY OFFERED TO OTHERS IN THE SAME LINE OF BUSINESS.

GOVERNING BODY/MANAGEMENT - FORM 990, PART VI, SECTION A, LINE 7B  
ALL PROPOSED RULE CHANGES ADOPTED BY THE BOARD OF DIRECTORS OF THE MSRB ARE SUBJECT TO THE FILING AND APPROVAL OR REVIEW REQUIREMENTS BY THE

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SECURITIES AND EXCHANGE COMMISSION UNDER SECTION 19(B) OF THE SECURITIES EXCHANGE ACT OF 1934.

FORM 990 REVIEW PROCESS - FORM 990, PART VI, SECTION B, LINE 11  
THE BOARD OF DIRECTORS OF THE MSRB HAS AN AUDIT COMMITTEE THAT IS CHARGED WITH REVIEWING WITH MANAGEMENT THE ORGANIZATION'S COMPLETED FORM ANNUALLY PRIOR TO THE FILING OF SUCH FORM AND REPORTING ANY FINDINGS OR CONCLUSIONS TO THE BOARD OF DIRECTORS IN CONNECTION WITH THE BOARD'S REVIEW OF SUCH FORM. THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS CONDUCTED THEIR REVIEW PRIOR TO FILING THE FORM.

CONFLICT OF INTEREST POLICY - FORM 990, PART VI, SECTION B, LINE 12C  
THE MSRB MAINTAINS FOR ITS BOARD OF DIRECTORS AND ITS STAFF: A CODE OF ETHICS AND BUSINESS CONDUCT POLICY; A CONFLICTS OF INTEREST POLICY; AND A WHISTLEBLOWER POLICY WITH COMPLAINT HANDLING PROCEDURES, WHICH ARE AVAILABLE ON MSRB.ORG. ALL BOARD MEMBERS AND STAFF ARE TRAINED ANNUALLY ON THESE POLICIES AND MUST SIGN AN ACKNOWLEDGMENT. THE MSRB HAS A POLICY REQUIRING THAT OFFICERS, DIRECTORS AND KEY EMPLOYEES DISCLOSE ANNUALLY INTERESTS THAT COULD GIVE RISE TO CONFLICTS. IN CONNECTION WITH THE ELECTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS, EACH CANDIDATE PROVIDES INFORMATION TO THE MSRB CONCERNING POTENTIAL CONFLICTS OF INTEREST. IN ADDITION, CERTAIN ORGANIZATIONAL CONFLICTS ARE EFFECTIVELY PROHIBITED UNDER SECTION 15B(B) OF THE SECURITIES EXCHANGE ACT OF 1934 DUE TO THE STATUTORY REQUIREMENTS REGARDING QUALIFICATION FOR MEMBERSHIP ON THE BOARD OF DIRECTORS. IN PARTICULAR, PUBLIC REPRESENTATIVES MUST BE INDEPENDENT OF ANY MUNICIPAL SECURITIES BROKER, MUNICIPAL SECURITIES

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DEALER OR MUNICIPAL ADVISOR. MSRB RULE A-3 DEFINES "INDEPENDENT" AS HAVING NO MATERIAL BUSINESS RELATIONSHIP WITH ANY MUNICIPAL SECURITIES BROKER, MUNICIPAL SECURITIES DEALER OR MUNICIPAL ADVISOR, INCLUDING AT A MINIMUM NOT CURRENTLY OR AT ANY TIME WITHIN THE LAST TWO YEARS BEING ASSOCIATED WITH A MUNICIPAL SECURITIES BROKER, MUNICIPAL SECURITIES DEALER OR MUNICIPAL ADVISOR AND NOT HAVING A RELATIONSHIP WITH ANY MUNICIPAL SECURITIES BROKER, MUNICIPAL SECURITIES DEALER OR MUNICIPAL ADVISOR, WHETHER COMPENSATORY OR OTHERWISE, THAT REASONABLY COULD AFFECT THE INDEPENDENT JUDGMENT OR DECISION MAKING OF THE INDIVIDUAL. THE MSRB'S CHIEF LEGAL OFFICER OR GENERAL COUNSEL REVIEWS THE CONFLICTS OF INTEREST ACKNOWLEDGEMENT AND DISCLOSURE FORMS AND DETERMINES WHAT ACTIONS, IF ANY, NEED TO BE TAKEN, INCLUDING ASKING A BOARD MEMBER TO RECUSE HIM OR HERSELF FROM DELIBERATIONS OR VOTING ON AN ACTION.

COMPENSATION REVIEW PROCESS - FORM 990, PART VI, SECTION B, LINE 15 UNDER THE MSRB WRITTEN COMPENSATION STRATEGY AND PROGRAM, THE FINANCE COMMITTEE (COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS) IS RESPONSIBLE FOR MAKING RECOMMENDATIONS AND THE BOARD OF DIRECTORS IS RESPONSIBLE FOR APPROVING THE ORGANIZATION-WIDE COMPENSATION STRATEGY. THE ANNUAL SALARY BUDGET IS APPROVED BY THE BOARD OF DIRECTORS. AT LEAST ONCE EVERY FOUR YEARS, THE COMPENSATION STRATEGY AND STRUCTURE ARE REVIEWED AND APPROVED BY THE FINANCE COMMITTEE BASED ON INFORMATION RECEIVED FROM AN EXTERNAL SALARY CONSULTANT. SUCH REVIEW WAS COMPLETED IN JULY 2016. THE EXTERNAL SALARY CONSULTANT COMPARES OUR ORGANIZATION WITH COMPARABLE PEER ORGANIZATIONS IN OUR LOCAL GEOGRAPHIC MARKET AND WITHIN THE INDUSTRY AS APPROPRIATE. THE FULL BOARD APPROVES THE COMPENSATION OF THE EXECUTIVE

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DIRECTOR, AND THE EXECUTIVE DIRECTOR ESTABLISHES THE COMPENSATION OF THE KEY EMPLOYEES WITHIN THE PARAMETERS AND PHILOSOPHY OF THE APPROVED COMPENSATION STRATEGY. ADDITIONALLY, THE EXECUTIVE DIRECTOR ANNUALLY PROVIDES TO THE BOARD THE SALARY, BENEFITS, AND TOTAL COMPENSATION OF THE SENIOR MANAGEMENT.

GOVERNING DOCUMENTS - FORM 990, PART VI, SECTION C, LINE 19

THE ORGANIZATION'S WEBSITE (WWW.MSRB.ORG) CONTAINS THE FOLLOWING:

SECURITIES EXCHANGE ACT SECTION 15B (STATUTE CREATING THE MSRB), RESTATED ARTICLES OF INCORPORATION, BY-LAWS, GOVERNANCE-RELATED ADMINISTRATIVE RULES, BOARD COMMITTEE CHARTERS, CODE OF ETHICS AND BUSINESS CONDUCT, CONFLICTS OF INTEREST POLICY AND DISCLOSURE FORM, RISK MANAGEMENT PROGRAM, WHISTLEBLOWER POLICY, AUDITED FINANCIAL STATEMENTS, IRS FORM 990 AND CERTAIN FINANCIAL POLICIES.

ATTACHMENT 1

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
CC PACE SYSTEMS, INC. 4100 MONUMENT CORNER DRIVE, SUITE 400 FAIRFAX, VA 22030	SOFTWARE DEVELOPMENT	1,594,610.
SIDLEY AUSTIN LLP 1501 K STREET WASHINGTON, DC 20005	LEGAL REPRESENTATION	328,811.
SUTHERLAND GLOBAL SERVICES 1160 PITTSFORD-VICTOR RD PITTSFORD, NY 14534	CALL CENTER	310,240.
SUMMIT CONSULTING, LLC 601 NEW JERSEY AVE NW SUITE 400 WASHINGTON, DC 20001	ECONOMIC CONSULTING	279,293.
LOGICBOOST, INC. 1904 VERMONT AVE APT B WASHINGTON, DC 20001	SOFTWARE DEVELOPMENT	236,080.