

STIFEL NICOLAUS

June 27, 2012

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

RE: MSRB Notice: 2012-29: Request for Comment on Elimination of Large Trade Size Masking on Price Transparency Reports

Dear Mr. Smith:

Stifel Nicolaus & Company, Incorporated (Stifel) is pleased to submit this letter in response to the Municipal Securities Rulemaking Board's (MSRB) Notice: 2012-29 (Notice), which solicits comment on enhancing the transaction data publicly disseminated in real-time by including the exact par value on all transactions disseminated from the MSRB Real-Time Transaction Reporting System. Stifel is one of the leading underwriters of municipal bonds in the country and distributes bonds through its more than 2,000 financial advisors serving individual investors and 150 institutional registered representatives.

Stifel supports the MSRB's efforts to increase transparency as we believe it will lead to more efficient markets. The proposal to unmask the par value of trades over \$1 million and include the exact par value has merits that may benefit those market participants that do not frequently trade in large size but may occasionally do so. At the same time, it could have unintended consequences in some situations involving large trades that cause the unmasking to also eliminate the anonymity of the buyer or seller. This anonymity is valued in the market and assists in the maintenance of liquidity. Most of the major market participants will not benefit from the proposed increased transparency, as information flow among them is significant and swift. The value of unmasking trades will be most beneficial to lesser participants in the market who may not benefit from the complete unmasking of sizable trades in a way that counters the possible downside of such disclosure.

While we support increased transparency and the concept of unmasking the par value of municipal bond transactions, the concern we have about the potential of unmasking the identity of buyers and sellers leads us to suggest that raising the limit on the disclosed par value to \$5 million would provide sufficient market information to all participants without creating the disruption a full unmasking of par value may cause. The \$1 million limit made

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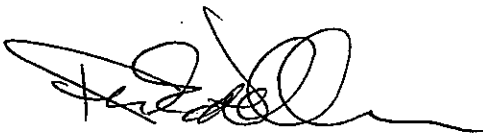
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sense at the time that RTRS was implemented, but \$1 million dollar trades are not as significant in the market today as they were when RTRS was established. Increasing the limit to \$5 million will capture a very high percentage of trades and provide meaningful transparency while protecting the anonymity of both sides of significantly sized trades, which is important to the market and its liquidity.

We appreciate the opportunity to comment on the proposed amendment and hope that our thoughts are useful to any decision the MSRB reaches on the matter of price transparency in the market.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Williams', with a long horizontal flourish extending to the right.

Kenneth E. Williams
Executive Vice-President
Director of Municipal Finance Group