

November 2, 2012

VIA ELECTRONIC MAIL

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

RE: MSRB Notice: 2012-50: Request for Comment on Revised Draft Rule Amendments and a Revised Draft Interpretive Notice on Retail Order Periods

Dear Mr. Smith:

The Bond Dealers of America (BDA) is pleased to submit this letter in response to the Municipal Securities Rulemaking Board's (MSRB) Notice: 2012-50 (the "Notice"), which solicits comments in connection with a revised draft proposal concerning retail order periods under MSRB Rules G-11 (on primary offering practices), G-8 (on books and records) and G-32 (on disclosures in connection with primary offerings), and a draft interpretive notice concerning the application of MSRB Rules G-17 and G-30 to retail order periods (the "Revised Draft Proposal"). BDA is the only DC based group representing the interests of securities dealers and banks focused on the U.S. fixed income markets. We welcome this opportunity to state our position.

We appreciate several of the changes that the MSRB has made to its retail order period proposal. In particular, we support the MSRB's clarification in the Revised Draft Interpretative Notice that refines the interpretative guidance around the duty of fair pricing. We believe that the interpretative guidance now provides helpful discussion of how prices and yields may legitimately differ on sales of the same security.

While we are generally supportive of the Revised Draft Interpretative Notice, we strongly reiterate our concerns in our comment letter dated April 13, 2012 in response to MSRB Notice 2012-13 (*Request for Comment on Proposed Rule Amendments and Interpretive Notice on Retail Order Periods*). We remain concerned with subparagraph (l) of Rule G-11 of the revised draft rule, in that we believe it will impose a costly, unreasonable and unnecessary burden on Dealers. There is no reason for the Rule to unconditionally require the delivery of potentially voluminous amounts of information to issuers who should have the freedom to determine the specific requirements of the retail order period for themselves. We believe that what issuers really need from the MSRB is the legal umbrella under which to customize those requirements. However, the additional step the MSRB has taken to proscribe the requirements here will likely have unintended consequences for Dealers. Therefore, we would like to reiterate our suggestion that

the MSRB eliminate the requirement that Dealers provide specific information relating to each order submitted during a retail order period, particularly in cases in which the Dealer obtains large numbers of orders during retail order periods.

Finally, to the extent the MSRB is considering providing educational materials to assist issuers who do not have sufficient expertise or who do not engage a financial advisor, we would recommend that the MSRB include specific guidance practices that these issuers should consider in formulating effective retail order period rules. To that end, we would recommend that the MSRB include in any educational material it produces, a recommended practice that issuers reserve the right to conduct an audit of compliance by the syndicate of retail order period rules. This is because the issuer will be limited in its capacity to determine whether the syndicate has actually complied with the issuer's retail order period rules. That being said, we also discourage the MSRB from recommending to issuers that they *must* conduct audits as this can lead to highly inefficient offerings. The ultimate goal in preserving the right to audit would be to ensure compliance with the requirements of the retail order period.

Thank you again for the opportunity to submit these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Nicholas".

Michael Nicholas
Chief Executive Officer