

**Steve Apfelbacher  
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**Robert Lamb  
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April 29, 2020

Mr. Ronald W. Smith  
Corporate Secretary  
Municipal securities Rulemaking Board  
1300 I Street, NW, Suite 1000  
Washington, DC 20005

Re: Request for Comment on Draft Amendments to MSRB Rule A-3 on Membership on the Board  
(2020-02)

Dear Mr. Smith:

As former members of the MSRB we appreciate the opportunity to have input into the decision making of the current Board. Our comments are based on our collective experience as post Dodd Frank Board members and municipal advisor practitioners.

We recognize that the legislation filed by Senator Kennedy has prompted a review of the separation period that is applied to public representatives. We agree that a longer separation period will reduce the likelihood of an appearance of conflict of interest between a newly minted public representative's public designation and prior status as a regulated party. Based on our experience as Board members involved in the identification of new board members, we believe that a longer separation period will reduce the pool of qualified public representative applicants. Nonetheless, the perception of a conflict is serious enough to warrant a longer separation period.

The Board has also proposed that the number of MAs be reduced from three to two. We do not agree with this proposal and submit that three MAs are required to adequately represent the diversity and interests of the MA community and their clients.

As Board members who served from 2010 through 2019, we had expected the intense workload required to include municipal advisors in the regulatory framework would be complete by now. The events of the last two years indicate we were wrong. Discussions of G-34 and G-23 are but two of the ongoing conversations that impact municipal advisors. Amendments are being discussed to address the proposed exemptive order for municipal advisors under consideration by the SEC. The debate surrounding the SEC's Proposed Exemptive Order has exposed significant differences between broker-dealers and municipal advisors. Independent municipal advisors must be at the table in order to present their views. The Board composition proposed by the amendment reduces MA representation from at least 30% of the regulated members (three of ten) to two of seven. The Board has also proposed that a MA representative can be associated with a dealer, provided that the dealer does not engage in underwriting the public distribution of municipal securities. These changes will weaken the voice of independent municipal advisors.

Simply put, the diverse nature of the municipal advisor community cannot be represented by two representatives on a 15-member Board. A-3 recognizes the difference between non-bank and bank broker-dealers, we ask that the broad and different nature of our MA businesses also be considered.

As the Board stated in its September 2011 response to comment letters from SIFMA and others:

While the statute requires that there be at least one municipal advisor representative on the Board, it is the view of the Board that no less than 30% of the members representing regulated entities should be municipal advisors that are not associated with broker-dealers or bank dealers, and, therefore, the MSRB does not agree with SIFMA's comment that this level of representation of municipal advisors is disproportionately large. Although the MSRB has made substantial progress in the development of rules for municipal advisors, its work is not complete. Indeed, over the years, it will continue to write rules that govern the conduct of municipal advisors and provide interpretive guidance on those rules, just as it has over the years for broker-dealers since it was created by Congress in 1975. Just as SIFMA considers it essential that broker-dealers and bank dealers participate in the development of rules that affect them, the MSRB believes that it is essential that municipal advisors participate in the development of rules that affect them. The MSRB believes that allotting at least 30% of the regulated entity positions to municipal advisors that are not associated with broker-dealers or bank dealers will assist the Board in its rulemaking process...and will inform its decisions regarding other municipal advisory activities while not detracting from the Board's ability to continue its existing rulemaking duties with respect to broker-dealer and bank activity in the municipal securities market.<sup>1</sup>

As active participants in the municipal market we appreciate the opportunity to submit this comment letter to preserve fair and adequate representation of the municipal advisor community.

Sincerely,

Steve Apfelbacher  
Board Member, October 2014 - September 2017

Renee Boicourt  
Board Member, October 2016 - September 2018

Marianne Edmonds  
Board Member, October 2012 - September 2015

Robert Lamb  
Board Member, October 2010 - September 2013  
Vice Chair, October 2011 - September 2012

Nathaniel Singer  
Board Member, October 2013 - September 2016  
Chair, October 2015 - September 2015

Noreen White  
Board Member, October 2010 - September 2014

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<sup>1</sup> MSRB letter to SEC dated 9/19/2011 re: File No. SR-MSRB-2011-11