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September 14, 2006

Ernesto A. Lanza
Senior Associate General Counsel
MSRB
1900 Duke Street Suite 600
Alexandria, VA 22314

Re: MSRB Notice 2006-19 (July 27, 2006)

Dear Mr. Lanza:

I am responding to your request for comment regarding "access equals delivery". I have been involved in the municipal marketplace as a corporate portfolio manager, an issuer for a large urban school district, and a retail investor in municipal securities. As such, I am very interested in your attempts to streamline the process of disclosure for all concerned.

Attached are my comments as requested by the above mentioned MSRB notice.

If you have any questions regarding my comments, I would be happy to discuss them. You can reach me at the above phone number or email.

I appreciate the work that you are doing with regard to full and timely disclosure.

Sincerely,

Ruth D. Brod

Ruth D. Brod
Consultant
TRB Associates

Attachment

MSRB Review of 'Access Equals Delivery'

MSRB Notice 2006-19 (July 27, 2006)

As a financial professional with experience in corporate portfolio management, municipal bond issuance for a large urban school district, and municipal bond investor on a personal level, I have reviewed the MSRB Notice 2006-19 regarding information gathering and dissemination regarding municipal bonds.

I applaud the MSRB for seeking a uniform method of insuring delivery of information to new purchasers in a timely manner while at the same time, not increasing the burden on issuers. However, in the current proposal, it is unclear that any improvement would be made in what is most important: the availability of current information on all municipal bonds on an ongoing basis. Three areas that it does not support are:

- the ability to access all information including ongoing disclosure for the life of the bond for all investors,
- reduction of the cost of physical delivery to the issuer, and
- minimizing risk to investors of municipal bonds.

"Access equals Delivery"

As I understand it, a filing to the EDGAR system includes a standard formatted information block that can be uploaded into a data base system, from which it can be available to the public as is, or sorted, analyzed, reviewed and compiled with other filings as needed by the SEC or the investing public. The proposed change of requiring that the prospectus be delivered in PDF or similar form is appropriate for file retention, minimizing storage space, and printing or emailing if requested. Your proposal does not deal with the main goal of retrieval of information, and the ability to analyze and compare each municipal bond to others in the market place.

A cover sheet, designed to transfer primary information on each bond, including issuer, CUSIP numbers, security, maturity dates, ratings, callability, etc., is really what is needed to accomplish the goal of 'access' to the SEC and investing public.

Additionally, investors should have access to every disclosure filing by CUSIP number for the life of the bond. Bonds are bought and sold many times over before they mature. Each sale is supposed to be preceded by the investor reviewing the prospectus and understanding the associated risk. A link should be established for every bond by CUSIP number to give access to the Continuing Disclosure and Material Adverse Changes required to be filed with NRMSIRS and the MSRB to make current information available to each investor who holds or wishes to purchase the bond. This is especially important for corporate holders who must report their risk factors to a Board of Directors and stockholders, annually.

Cost of Printing/Posting

In preparing a preliminary official statement (POS) or official statement (OS), issuers and their lawyers and/or financial advisors collect information, describe the bond and projects funded, etc., insert insurance and rating information, include demographics, and much more. All of this is edited many times before an approved document goes to print. This information is submitted in parts to the printer who puts it all together into one document, formats it, and submits it in PDF form to the bond team for final review. The printer then works with the issuer to perfect the cover and document to properly reflect the image requested by the issuer. All of this is done without a page needing to be printed. Most copies are delivered via email to underwriters for marketing purposes.

For as little as \$1000, an issuer can have a professional document and posting of the POS and OS for the life of the bond, with enough printed copies to satisfy all political requirements and issuer requests. The proposed creation of a posting website for only the period of the initial disclosure would consume valuable time and resources when credible sites already exist, such as MuniOS.com. It would be more effective to simply link the MSRB web site to the appropriate posting site for each OS. The MSRB could effectively monitor and/or restrict these posting sites, just as it does for the NRMSIRS. The task of creating the data base would be the most significant contribution that could be made by the MSRB to the municipal environment.

The suggestion to change requirements for underwriters to submit bond information simultaneously with the OS would seem to facilitate the marketing of bonds only if the information submitted is in the form of the 'cover letter' as suggested by this writer, one that could be uploaded immediately to a data base and available to investors.

Decreasing Investor Risk

As an investor in municipal bonds both from the corporate side and as an individual investor, I have been very frustrated with the lack of cooperation from dealer firms, including ones that are well known for their 'conservative' approach to investing. When approached with a new investment, I have been told the name of the bond, the ratings, interest rate and maturity, but never the security for the bonds. If a prospectus is requested, I have been told it would be sent to me in a week (but they want my decision on the investment within the hour). Having this information available immediately where it could be reviewed or printed and sent to the investor would be an excellent resource to the municipal investor, whether individual or corporate.

Over 50% of municipal bonds are sold to individual investors, the remainder to the sophisticated corporate or fund buyer. Any change that allows the dealer firms to sell municipal securities without first making sure the investor has read and understands the risks involved should be abandoned. Instead, increasing pressure should be put on dealers to provide current information.

Only by having all information in one place, including continuing disclosures and any material adverse change filings, will the dealer be able to comply fully with the rule of educating the investor and decreasing risk.

Summary

The goal of streamlining delivery and accessibility of municipal bond documentation is very important to the municipal marketplace. However, by focusing on changing the printing of the disclosure documents, you would change an efficient and effective system of posting the actual documents for the investing public.

Your goal can best be accomplished by developing a data base combined with a filing document (cover letter) with all pertinent information that can be uploaded, providing immediate and permanent files for review and analysis of each bond. Combined with links to approved posting sites for official statements, continuing disclosure and material adverse changes, this data base would serve to provide sufficient risk information on all municipal securities to the entire market.

Ruth D. Brod
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