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July 30, 2024
Ronald W. Smith, Corporate Secretary
Municipal Securities Rule Making Board
1300 I Street NW
Suite 1000
Washington, DC 20005

Dear Mr. Smith,

Frost Bank Capital Markets Division (“CMD”) respectfully submits these comments in response to MSRB Notice 2024-09. The Capital Markets Division is a division of Frost Bank (“Frost”) and is a bank-dealer registered with the Federal Reserve Bank. Frost Bank is a subsidiary of Cullen/Frost Bankers, Inc., a state chartered bank that provides full service banking facilities across Texas. We appreciate the opportunity to share our views and comments regarding the potential impact and effect of the proposed MSRBs gathering and display of bank-dealer Associated Persons’ registration and qualification information.

CMD commends the MSRB's initiative to propose amendments to Rule A-12 that would introduce new reporting requirements for bank dealers and establish a publicly accessible database for information on associated persons of bank-dealers. This initiative is a proactive step towards creating a system of greater transparency and accountability in the municipal and financial sectors.

By enhancing reporting standards and making relevant information readily available to stakeholders, including investors and regulators, these proposed amendments have the potential to bolster market confidence and ensure a level playing field for all participants. Moreover, the creation of a public database will empower investors with the knowledge they need to make informed decisions, thereby fostering trust and promoting a healthier municipal marketplace.

CMD believes the proposed amendments align with the MSRB's commitment to safeguarding investors and promoting fairness within the municipal securities market. Your efforts to seek feedback through this Request for Comment demonstrate a commitment to collaborative governance and stakeholder engagement, which is essential for crafting effective regulatory frameworks.

CMD fully supports the MSRB's proposed amendments to Rule A-12 and encourage further enhancements that promote transparency, accountability, and investor protection. Thank you for your dedication to advancing these important objectives.

Best regards,

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

Jeff Beckel, SEVP & Director of Capital Markets

MSRB Questions for RFC 2024-09

- 1. Would the draft amendment to Form A-12 achieve the objective of providing regulatory and public access to useful information about the associated persons of bank dealers? Please explain.**

Yes, we believe so. Bank Dealers currently have no public database to provide prospective customers and clients transparency into the securities licenses that associated persons of Bank Dealers hold. Some Bank Dealers may have affiliate B/Ds that can allow dual registration, and therefore appear on FINRA's Broker Check, but not all bank dealer APs can achieve this without running afoul of FINRA license parking regulations.

- 2. Are there other public sources available for this information about the associated persons of bank dealers?**

Only if a bank dealer has an affiliated B/D that can dually register the bank dealers RRs, and therefore be listed on FINRA's Broker Check. However, this is not always possible even if an affiliated B/D exists.

- 3. If the draft amendments would impose new burdens on bank dealers, please describe in detail and quantify those burdens, to the extent possible.**

CMD is a relatively small firm with approximately 15 registered representatives at any given time. Therefore, CMD feels that the draft amendments new burdens would be relatively minor considering the benefit to be gained.

- 4. Do you think the estimated compliance costs in Table 1 above are reasonable? If not, please provide your estimation.**

Yes.

- 5. Please describe the benefits of access to public information about the registration and municipal securities-related examination qualification information of associated persons of bank dealers.**

Access to public information about the registration and qualification of bank dealers' associated persons enhances transparency and accountability in the municipal & financial industries. It enables informed decision-making by investors, ensures regulatory oversight, protects consumers from fraud, and maintains market integrity.

- 6. When balanced, do the draft amendments to Form A-12 and subsequent display on msrb.org of this information about associated persons of bank dealers offer relevant benefits to justify the burden to bank dealers of the additional costs for the new Form A-12 reporting requirements?**

Yes, in our case we believe it certainly does.

- 7. What should be the timing of amendments to Form A-12 for this information about the associated persons of bank dealers? Within 30 days as is required for other amendments to Form A-12 presently, annually during the Annual Affirmation Period only, quarterly or within another timeframe?**

a. If you selected an annual update above, would an annual update provide sufficiently current information for due diligence purposes or is more frequent amendment necessary?

b. If you selected amendments within 30 days above, would the benefits of more current amendments and publicly available information outweigh the burdens? Please describe.

c. If you selected another timeframe, please describe the burdens and benefits of the timeframe you chose.

In order to align the proposed regulation with existing regulation in the municipal and financial industries, CMD believe that a 30 period to update Form A-12 would be most appropriate.

- 8. Do the draft amendments provide protections for municipal entities or other market participants?**

Yes, the draft amendments do provide protections for municipal entities and other market participants.

- 9. Are there considerations about the public display of this information that the MSRB should be aware of?**

No, as long as any personal information besides general identifying information belonging to the associated persons is not listed along with industry & licensing information.

10. Would the draft amendments place any undue burden or impact on small firms? If so, do you have any suggestions for alleviating or reducing this burden?

As a small firm, CMD does not believe the proposed draft amendments will place an any undue burdens on the Firm.

11. Would the draft amendments place undue burden on larger firms? If so, do you have any suggestions for alleviating or reducing this burden?

Not applicable.