

Peg Henry PLLC¹

March 6, 2026

VIA ELECTRONIC SUBMISSION

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

Re: MSRB Notice 2026-01 – Request for Comment on MSRB Rule G-27 on Dealer Supervision

Dear Mr. Smith:

I appreciate the opportunity to comment on MSRB Notice 2026-01 (the “Notice”).²

The Notice provides useful clarity on the definition of “structuring,” as that term is used in MSRB Rule G-27(g)(i) (“office of municipal supervisory jurisdiction” or “OMSJ”). At the same time, that clarity highlights the fact that the very term “office of municipal supervisory jurisdiction” or “OMSJ” is an anachronism that should be eliminated.

By process of elimination from the defined term “excluded public finance activities,” the term “structuring” is deemed to include “final approval of any bespoke recommendation, commitment of dealer capital or other formal action with respect to a public offering or private placement conducted by the dealer.”³

When read in conjunction with MSRB Rule G-27 Supplementary Material .06, it appears that an individual with a Series 53 supervisory license may supervise “excluded public finance activities” from the supervisor’s primary residence, but may not engage in “structuring” from that residence. That suggests, for example, that the supervisor would need to go to the dealer’s office to sign a bond purchase agreement, which formally commits the underwriting firm to a municipal securities transaction.

If that is the MSRB’s intention, respectfully, that supervisory model is outdated as it pertains to public finance activities. The whole concept of “office of municipal supervisory

¹ Peg Henry PLLC provides municipal securities legal consulting and expert witness services. Margaret C. (Peg) Henry is the sole member of Peg Henry PLLC.

² MSRB Notice 2026-01 (Jan. 14, 2026).

³ MSRB Rule G-27 Supplementary Material .07.

jurisdiction” seems to have been developed by analogy to a retail brokerage system in which individual investors come to their brokers’ offices to receive advice on investments and to effect transactions. Even that retail brokerage system has been replaced in recent years by telephone and email. However, it has never applied to public finance banker activity. Public finance bankers go to their issuer clients, not the other way around.

There is certainly no supervisory benefit to be gained by requiring a bond purchase agreement to be signed in a dealer’s office, rather than a residence, when the signed bond purchase agreement will be scanned and emailed to the relevant parties. That can easily be done from the supervising banker’s residence. Indeed, that process can be accomplished from many settings, such as hotel guest business facilities, as long as an electronic record is maintained. Furthermore, the underwriting desk for the transaction may be in a completely separate location from the banker. Indeed, the supervising underwriter may be working from home as well. The efficacy of such a system of remote supervision was demonstrated during the COVID-19 pandemic, although its applicability to public finance bankers far preceded the pandemic.

MSRB Rule G-27(b) provides:

Each dealer shall establish and maintain a system to supervise the municipal securities activities of each registered representative, registered principal, and other associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Board rules. Final responsibility for proper supervision shall rest with the dealer.

If a dealer is comfortable that it can maintain reasonable supervision of its public finance employees who work from home or other locations by, for example, electronic means such as telephone, Zoom, Teams, or WebEx, that should be the dealer’s prerogative. Some dealers may require their employees to work from the dealers’ offices. Their judgments as to which supervisory model to adopt will be evaluated during FINRA and SEC exams and, as needed, appropriate sanctions levied for failure to supervise.

I would like to address one statement in the Notice’s section on Economic Analysis. The MSRB suggests that eliminating the “office of municipal supervisory jurisdiction” from MSRB G-27 would be burdensome for dealers also subject to FINRA jurisdiction. I disagree. A dealer’s procedures may always dictate compliance with FINRA’s more burdensome supervisory rules. That imposes no cost on the dealer. The MSRB should eliminate its current burdensome OMSJ rule and encourage FINRA to make similar changes to its OSJ rule.

I realize that various market participants may provide more detailed comments on the various aspects of your proposals, but wanted to limit mine to remote

supervision by electronic means. My comments are provided in light of the MSRB's statements in the Notice that the proposals in the Notice are a "first step intended to address requests from market participants for greater flexibility in the manner in which dealers engage in what is colloquially referred to as public finance activities." I hope that the MSRB will find my comments useful as it proceeds with the "next step" in its evaluation of remote municipal supervision.

Thank you for considering my comments. If a fuller discussion of my comments would be helpful, I can be reached at 202-579-6622 or peghenryPLLC@outlook.com.

Very truly yours,

A handwritten signature in blue ink that reads "Peg Henry". The signature is written in a cursive, flowing style.

Margaret C. (Peg) Henry
Sole Member