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April 11, 2011

DELIVERED VIA E-MAIL TO CommentLetters@msrb.org

Ronald W. Smith, Corporate Secretary
MSRB
1900 Duke Street
Alexandria, VA 22314

RE: Draft MSRB Rule G-36 (on Fiduciary Rule of Municipal Advisors) and Draft Interpretative Notice under Rule G-36

Dear Mr. Smith,

Fi360¹ appreciates the opportunity to comment on draft MSRB Rule G-36 and the related draft interpretative notice setting rules for and providing guidance on municipal advisors' fiduciary duty established under the Dodd-Frank Act.²

Fi360 applauds the MSRB on its efforts to provide clarity on municipal advisors' fiduciary obligations to their municipal entity clients. In particular, we commend the MSRB on recognizing in draft Rule G-36 the duty of loyalty and the duty of care, which have long been recognized by the SEC as essential obligations under the fiduciary standard of care.³ Moreover, we believe that the MSRB's draft interpretative notice has amply captured key principles that underly the duties of the loyalty and care.

For a fiduciary to fulfill its obligations in good faith, it must at a minimum: (1) put the client's best interest first; (2) act with the skill, care, diligence and good judgment of a professional; (3)

¹ Fi360 offers a full circle approach to investment fiduciary education, practice management, and support. Our mission is to promote a culture of fiduciary responsibility and improve the decision making processes of investment fiduciaries, including investment advisors, managers, and stewards. With legally substantiated Practices as our foundation, we offer training, tools, and resources in support of that mission. We also manage the Accredited Investment Fiduciary® (AIF®) and Accredited Investment Fiduciary Analyst™ (AIFA®) designation programs. AIF designees receive training that provides a unique comprehensive overview of fiduciary standards of excellence, asset allocation, preparation of investment policy statements, manager search and due diligence, performance measurement, and other related subjects. AIFA designee training builds on that foundation and prepares students to provide Fiduciary Assessments to institutions. At present, there are over 4,800 active AIF and AIFA designees.

² Sec. 975(c)(2), Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203.

³ See, e.g., Staff of the U.S. Securities and Exchange Commission, "Study on Investment Advisers and Broker-Dealers," January 2011 ("SEC Fiduciary Study"), at <http://www.sec.gov/news/studies/2011/913studyfinal.pdf>.

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not mislead clients and provide conspicuous, full and fair disclosure of all important facts; (4) avoid conflicts of interest; and (5) fairly manage unavoidable conflicts in the client's favor.⁴ We believe that the MSRB not only has fully recognized these principles in its proposal, but has also provided strong safeguards that will protect municipal entity clients by requiring municipal advisors to disclose conflicts, obtain written informed consent, avoid unmanageable conflicts, act competently, and make reasonable inquiry into transactions and alternatives. Moreover, we commend the MSRB for recognizing that the fair dealing requirements under MSRB Rule G-17 are subsumed within the advisor's fiduciary duty under draft Rule G-36.

Fiduciary obligations are hugely important to protecting the trust that clients place in their advisors because the advisor's duties maintain the integrity of advice that is provided to clients and promote strong investor protection. We applaud the MSRB for setting a high benchmark for municipal advisors' fiduciary conduct and hope that benchmark will serve as an example of the high standard that should be exemplified in all advisory services and the legislative and regulatory requirements that affect those services.

We truly appreciate the opportunity to provide our views on these important issues. Please do not hesitate to contact us at (412) 221-0292 if you have any questions or would like additional information.

Sincerely,



Blaine F. Aikin
CEO



Kristina A. Fausti
Director of Legal and Regulatory Affairs

⁴ We note that the Committee for the Fiduciary Standard has recognized and advocated for these five fiduciary principles in the legislative and regulatory context. See "The Committee for the Fiduciary Standard: Five Fundamental Principles," at http://thefiduciarystandard.org/images/Summary_5Principles.pdf.