

April 13, 2012

Mr. Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, Virginia 22314

RE: MSRB NOTICE 2012-13 (MARCH 6, 2012)  
REQUEST FOR COMMENT ON PROPOSED RULE AMENDMENTS AND  
INTERPRETIVE NOTICE ON RETAIL ORDER PERIODS

Dear Mr. Smith:

Full Life Financial appreciates the opportunity to respond to the Municipal Securities Rulemaking Board's (MSRB's) request for comment on proposed rule amendments and interpretive notice on retail order periods described in MSRB Notice 2012-13. Full Life Financial is a registered investment adviser serving primarily families and individual investors.

We support the proposals in principle. In particular, we believe that requiring syndicate managers to disseminate timely notice of issuer requirements regarding retail order periods to all dealers *including selling group members* will support the fulfillment of issuer objectives and intentions with respect to distribution of its securities. We also note that the proposed amendments and interpretive guidance require such notice be delivered no later than the start of the retail order period. Under such immediate notice conditions, it would serve the spirit of the proposal to require a minimum time length of retail order period sufficient to fulfill issuer intent, and afford a genuine opportunity for retail investor participation.

We also strongly support the provisions of the proposed interpretive notice reminding dealers of their duty of fair pricing to customers under Rule G-30(a), especially with regard to securities sold to retail investors. We welcome clear guidance discouraging differences in prices extended to institutional versus retail investors. Where secondary transactions are involved, it is rational to price large transactions differently than small ones. However, in the new issue market, it seems reasonable to price all essentially like securities identically, regardless of the type of account doing the buying. This is especially true given recent improvements in order gathering efficiencies gained through technology such as electronic order entry.

We understand that another source of conflict of interest between dealers and retail investors in connection with primary offerings stems from the customary practice of dealers to retain a greater portion of the take-down with respect to institutional orders, as compared to retail orders. We would support the addition of interpretive guidance discouraging consideration of

this disparity as a factor in determining the degree to which dealers exert effort toward retail investor solicitation of primary offerings of municipal securities.

MSRB requested comment regarding the fact Rule G-11 would leave the definition of "retail" up to issuers, and whether a standard definition should be created, and if so, what it should be. We believe that allowing issuers to define "retail" and associated order priority according to their distribution intentions and other aspects of their situation is appropriate. We also recognize that a standardized definition of "retail" which issuers could use "as-is" or with modifications to adapt the definition to their wishes could improve efficiency by allowing a common language all participants in the marketplace can understand. We do not believe a par amount of the order criterion is necessarily an effective way to hew to the spirit of the proposals at hand.

Some institutional municipal market participants have suggested that some mutual funds cater to retail investors and on that basis should be allowed to participate in retail order periods. This suggestion is absurd. These players already enjoy substantial benefits from institutional pricing differentials and the power than comes from significant ongoing trading relationships with dealers. If active institutional municipal market participants such as mutual funds were allowed to participate in retail order periods, there might as well not be a retail order period as they would effectively crowd out smaller retail investors whom issuers intend to involve through retail order periods in the first place. Such a course would undermine the intent of the proposals under consideration.

Finally, we support MSRB's proposed amendment to Rule G-32 information submissions, requiring underwriters to include whether or not a retail order period was required by the issuer, and when it was conducted, in that it provides the opportunity for regulatory oversight essential to fostering administration of bona fide retail order periods that actually result in retail participation.

In conclusion, we support MSRB's efforts to enhance fairness and transparency in municipal securities markets, and believe the proposals contained in Notice 2012-13 will have beneficial effects for both issuers, whose intentions will more likely be fulfilled, and retail investors, who will be afforded a more genuine opportunity to participate in primary offerings at prices that are reasonable and fair, through appropriately conducted retail order periods.

Full Life Financial appreciates the opportunity to comment on MSRB's proposed rule amendments and interpretive notice on retail order periods in primary offerings of municipal securities. I would welcome any questions on 615-356-4164.

Sincerely,

A handwritten signature in black ink that reads "Keith Newcomb". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Keith Newcomb, CMT, AIF®, CFP®  
Portfolio Manager