

I have written a petition addressed to the congressional committee with oversight jurisdiction of your agency to review certain data regarding the municipal bond market as it presently operates.

Your agency is responsible to administer and regulate municipal bond market trading and the evidence clearly shows that dealers have a variety of unfair and unreasonable advantages over the retail investors. These advantages which are punishing the retail investor are tolerated and provided by your agency's failure to properly regulate the industry.

The evidence is very clear to any observer that the municipal bond dealers are making profits that are unreasonable because the MSRB has failed in its mission to regulate the municipal bond market.

I have researched and presented a data compilation which clearly shows the current operation of the municipal bond market.

I have combined data from my personal account with data reported to EMMA.

The lack of a public display of bids and offers in municipal bond market has:

a. consistently favored the DEALERS with unreasonable markups, gauging the retail customer. As an example the current markup in Cusip 57582pfx3 is 15-40 dollars per bond as displayed on EMMA over the last 30 days .

b. the current rules allow the dealers to ignore the best execution rules formulated and enforced by Finra and the SEC on all other security products and markets, except for derivatives which are currently unregulated . These same derivatives were purposely excluded from regulation by SEC and Finra and were the cause of the credit freeze and market collapse in 2008-2009.

The dealers are allowed to "hide" their best offers and best bids, {the very situation intended to be prohibited by the "best execution rules" in order to make the markets "fair" }and why the MSRB agency allows this practice to continue has not been explained , nor can it be explained other than to say the MSRB has failed miserably in its mission.

c. **the MSRB policies have restricted Liquidity** rather than provide liquidity.

A retail customer can not complete a trade on their own (without a dealer being in the middle) without a public display of bids and offers , because they cannot communicate with another retail customer who may have an interest, in buying or selling the same issue the same issue. The dealers do not display the retail customer offer and bids , so there is no market other than an opaque market which allows the dealers to gauge the retail investor. The argument for this advantage as put forward by the MSRB is that dealers bring liquidity to the market and this is an advantage for the retail customer. This argument would have merit if it were true , but it is not true.

I have been told by brokers that in a rising interest rate market (such as the current one) the dealers do not hold inventories and so **they are not providing ANY liquidity** .They are predators operating between retail clients and providing no capital as they only buy when they have a bid in their pocket which has to be higher than what they are paying to buy the issue. The seller of that issue can not see the higher bid and does not know that the bid exists.

Your agency could require the dealers display all bids and offers on a public platform and end this abuse immediately.