

Ernie Lanza

From: Daniel Roberts
Sent: Wednesday, April 21, 2010 2:41 PM
To: Ernie Lanza
Subject: msrb notice 2010-10/request for comments

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I provide the following in answer to your request for comments and for publication as is standard practice.

Taking in the rule points about pricing and other matters regarding appropriateness of levels of mark ups/downs, please stop using the description "riskless principal" as applies to near simultaneous buys and sells . your writers don't know very much about the municipal markets since they disregard the risk of principal trades. The first time a clients changes their mind about a purchase or sale , at which time the dealer who previously made a transaction remains the holder / short of a security, the full meaning of principal becomes apparent. The only instance wherein a principal trade becomes riskless to the firm is for those trades in which the msrb chooses to guarantee the brokers side of the trade. Otherwise there is nothing a little bit riskless about principal trades . thank you for this opportunity to clarify this point and call with questions.

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