

October 15, 2012

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

Re: MSRB Notice 2012-50 Revised Draft Interpretive Notice on Retail

Dear Mr. Smith,

In regard to the revised proposal of draft amendments to Rules G-11, G-8 and G-32 and the application of MSRB Rules G-17 and G-30 to retail order periods, the revisions provide some necessary clarifications without diminishing the important principal that an issuer's decisions concerning retail and retail order priorities must be respected by the underwriter.

Provided below, are additional matters the MSRB sought comments on.

Dealers Disclosures and Assistance

In the absence of a financial advisor representing the issuer, the dealer is the most knowledgeable about the market and investors interests and requirements.

Since the dealer is hired by the dealer to execute the best sale possible of the bonds, a dealer would be abducting their responsibility if they allowed an incorrect assumption by the issuer of what constitutes "retail" to structure the financing.

In terms of the disclosures by a dealer for using a particular definition of retail and the underlying motives, it should hopefully become a more common understanding by issuers that the dealer provides service to both the issuer and investor and they represent in a transaction their own interest.

There have already been rules issued by the MSRB about disclosing the role of the dealer in a transaction. As long as this is disclosed to the issuer at the start, then any definition of retail should be viewed by the issuer with that understanding.

The MSRB should however realize that while there may be agreements on the definition of retail in a transaction, pricing of the transaction by the dealer can effectively negate the intent of the issuer's definition of retail.

Protection of Issuers and Retail Investors; Dealer's Burden

Any increase in the disclosure of the terms and definitions used in a transaction clearly benefit the issuer and investor. The proposed rules do not negatively impact the municipal securities market or its efficient operation. Also, they do not place any additional burden on a dealer, but those they are required to perform if they want to insure the proper sale of a bond issue.

As an active issuer, the Corporation already requires much of the same information contained in the proposed Section (K) of Rule G-11 in order for it to judge the performance of the senior manager and co-managers.

While there may be claims of the proposed rules creating some additional burdens, it is far outweighed by the benefit to an open, fair and efficient municipal marketplace.

Thank you for the opportunity to provide comments.

Sincerely,
Robert E. Donovan
Executive Director
RIHEBC