

ZIONS BANK

May 16, 2014

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

Re: Request for Comment, MSRB Notice 2014-08

Dear Mr. Smith:

Zions First National Bank (“Zions Bank”) appreciates this opportunity to provide comments to the Municipal Securities Rulemaking Board (“MSRB”) pertaining to the proposed amendments to its professional qualification rules. The amendments set professional qualification standards for municipal advisor professionals (Regulatory Notice 2014-08, “Notice”). We will focus our comments in this letter on the “Uniform Requirement – Grandfathering” section of the Notice.

We agree with the MSRB that a qualification exam should be used to ensure a “minimum level of competency” by those individuals acting as municipal advisors (MA). However, in our opinion, under limited, specific circumstances, grandfathering should be allowed.

Grandfathering Permitted

Persons who are, or have been within the last two years, associated with a dealer and who have previously taken and passed a municipal securities qualification examination (i.e. Series 52, 53, or Series 7 prior to November 2011) and who are currently or have been during the last two years serving as financial advisors to municipalities and/or serving as municipal securities principals responsible for the financial advisor activities of a firm.

Those individuals who have previously taken and passed a municipal securities qualification examination (i.e. Series 52, 53, or Series 7 prior to November 2011), and who are currently, or have been during the last two years, serving as financial advisors to municipalities and/or serving as municipal securities principals responsible for the financial advisor activities of a firm, should be grandfathered and should not be required to take the MA test. These currently registered Municipal Securities Representatives/Principals (serving as financial advisors and/or municipal principals over financial advisor activities) have already passed an applicable qualification examination, have been subject to all applicable MSRB rules, have completed continuing education requirements, and already have a fiduciary duty to their municipal issuer clients. They have been subject to compliance programs, regulatory exams and firm and regulatory

element continuing education requirements, as per existing MSRB rules. This is sufficient to “ensure a minimum level of competency,” which the MSRB notes is the reason for requiring an exam for all persons considered municipal advisors.

Requiring these individuals who have clearly demonstrated a minimum and ongoing level of competency to take the MA exam would cause them and their firm to incur additional and unnecessary costs, including additional time taken out of the representative’s day to study for the new exam. We are not confident that much would be gained by having the individual take an additional exam in an effort to achieve a “minimum level of competency,” which we believe is already well established.

Grandfathering Not Permitted

Persons who have never taken a municipal securities qualification examination (i.e. Series 52, 53, or Series 7 prior to November 2011).

Any person who has not taken and passed a municipal securities qualification examination (i.e. Series 52, 53, or Series 7 prior to November 2011) **should** be required to take the new municipal advisor qualification examination if that person is to serve as a municipal advisor. Even if a person has been functioning independently (not associated with a dealer) as a financial advisor to municipalities, there has thus far, been no measurable way to determine that a “minimum level of competency” has been satisfied. Those individuals have not typically been subject to MSRB rules nor have they been subject to the continuing education requirements of G-3.

Persons associated with a dealer who have previously taken a municipal securities qualification examination but whose registration has lapsed, which would generally require re-testing.

Those individuals who have previously taken a municipal securities qualification examination but whose registration has lapsed because they have not been associated with a dealer for a two or more year period (as discussed in current rule G-3), no matter what their experience, should be required to take the MA exam if they are to function as an MA in order to ensure the "minimum level of competency." It is important for registered municipal advisors to stay current on new developments in the industry and rulemaking. Those in our recommended grandfathering category will be up to date on new developments through various continuing education requirements while those whose registration has lapsed will not. Thus, it is important that they re-establish that they meet the minimum level of competency in order to serve as an MA.

Persons associated with a dealer who are not and have not been serving as financial advisors or municipal securities principals over the financial advisor activities of a firm

Those individuals who have previously taken a municipal securities qualification examination, but during the last two years have not been functioning as a financial advisor (i.e. underwriters, sales and traders) or as a municipal securities principal over the financial advisor activities of a firm (i.e. principal supervising underwriting, sales and/or trading) should be required to take the MA examination if they are now to function as an MA. This would be similar to the two year limitation currently imposed in G-3, which indicates that if a person has not been associated with a dealer for a two or more year period at any time, after having qualified as a municipal securities representative/principal, that person would need to re-test to be qualified.

The other topics in the 2014-09 Request for Comment concerning the one-year grace period for taking the exam and the elimination of the apprenticeship period are reasonable and we are in agreement with the proposal on those points.

If you have any questions concerning our comments or would like to discuss them further, please feel free to contact me at 801-844-8680 or James.Livingston@zionsbank.com.

Sincerely,

A handwritten signature in black ink, appearing to read "James G. Livingston", with a large loop at the end of the signature.

ZIONS FIRST NATIONAL BANK

James G. Livingston
Senior Vice President