

BERNARDISECURITIES

MUNICIPAL BOND SPECIALISTS

Submitted Electronically

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

Re: Shortened Settlement Cycle—Regulatory Notice 2015-22

November 17, 2015

Dear Mr. Smith:

Founded in 1984, Bernardi Securities, Inc. (BSI) is a municipal securities dealer providing underwriting, secondary market trading, brokerage, and portfolio management services to our institutional and retail customer base. We appreciate the opportunity to provide the Municipal Securities Rulemaking Board (MSRB) with comments related to the above referenced proposed rule.

BSI supports the shortened settlement cycle, from T+3 to T+2 for regular way settlements. We do wish to remind the MSRB that municipal bond customers quite often request settlement periods longer than the “standard settlement period.” Reasons for this include:

1. Customer purchases with longer settlements (i.e. 5-10 days) designed to coincide with another bond’s redemption.
2. Customers who do not hold cash balances and send payment via the US Postal System.
3. Customer trades which are booked to settle on the same date as the corresponding firm street trade, if not done “regular way.”

For these and other reasons that require settlements longer than “standard settlement,” we request that MSRB continue to preserve Rule G-12(b)(ii)(D) which allows a dealer and customer to agree upon the settlement date at the time of the transaction.

BSI appreciates the opportunity to comment on this proposed rule and we look forward to providing additional feedback that will help the MSRB and the greater municipal bond marketplace.

Sincerely yours,



Eric Bederman
SVP, Chief Operating & Compliance Officer