



November 14, 2016

VIA ELECTRONIC SUBMISSION

Attn: Ronald W. Smith
Municipal Securities Rulemaking Board
1300 I Street NW
Washington, D.C. 20005

Re: MSRB Regulatory Notice 2016-24, Request for Comment on Draft Provisions to Establish a Continuing Education Requirement for Municipal Advisors

Dear Mr. Smith:

On behalf of Public Financial Management, Inc., and PFM Financial Advisors LLC (collectively, referred to as “PFM” or “We”), PFM appreciates and thanks the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) for the opportunity to comment on the MSRB’s proposed draft provisions to establish continuing education requirements for municipal advisors. PFM, which has been in existence for over 40 years, is one of the nation’s largest independent municipal advisors and is the top-ranked municipal advisor in the nation in terms of both number of transactions and total dollar amount according to Thomson Reuters as of December 2015.

PFM welcomes the implementation of continuing education requirements for municipal advisors because we believe there are inherent benefits of ongoing continuing education which would assist municipal advisors in expanding their knowledge and promoting compliance with applicable regulations necessary within the current regulatory environment. However, PFM would like the MSRB to consider the following in its implementation of the proposed continuing education requirement for municipal advisors: 1) The creation of core elemental requirements or supplemental outlines to assist municipal advisors interpretation of fundamental needs in developing training plans; 2) The further regulatory consistency with FINRA requirements and development of cost-conscious web-based training that will assist municipal advisors with the affordability and process of complying with continuing education requirements; and 3) The institution of a reasonable phase in period that considers additional requirements for municipal advisor principals which more likely consists of at least a two-year timeframe for implementing the proposed continuing education requirements.

With respect to the MSRB’s proposal that municipal advisors conduct “a needs analysis” and “develop training plans,” PFM requests that the MSRB assist by providing guidance towards municipal advisors development and execution of training plans by providing more specific guidance on required subjects with further interpretive guidance describing information to be covered on core concepts within the municipal industry. The MSRB core subjects or outlines created and deemed



“Core Competency” training would discuss applicable regulatory and fiduciary duty obligations, for instance, and provide more guidance with respect to topics including, but not limited to, product suitability and risks, documenting suitability and client transactions, refundings, use of derivatives, and emerging regulatory topics, etc. We believe that by providing Core Competency subject requirements or outlines on a range of various topics (basic as well as more advanced), the MSRB would not only be promoting professional knowledge within the industry, but would be helping to ensure a level of consistency in educational information so as to enhance the quality and standard of training received by all municipal advisors. We envision that the MSRB’s continuing education program would largely parallel the Firm Element that registered persons of broker-dealer firms are required to take pursuant to FINRA regulation. The MSRB topic subjects or outlines created would serve to supplement training initiatives in that each firm in its discretion would determine what subjects or outlines were relevant to its firm’s lines of business and training needs. The Core Competency training subjects or outlines would be in addition to any annual training created or attended by municipal advisors pertaining to a firm’s specialized scope of business. By providing training in this manner, we believe this would be a more appropriate approach to directly aid in the promotion of municipal advisor qualifications.

PFM also advocates for consistency in the development of an individual municipal advisor representative element similar to requirements for individual Broker-Dealer representatives under FINRA regulation. Moreover, PFM requests that the MSRB provide cost-conscious web-based training courses and free online outlines so that municipal advisors, particularly smaller advisors, will not be hindered or unnecessarily burdened by the cost of complying with the MSRB’s continuing education requirements.

Lastly, PFM believes that the implementation phase for continuing education should be considerate of upcoming municipal advisor principal registration and licensing requirements. The addition of significant continuing education requirements must include recognition of the need for principal municipal advisors requirements as well. We believe a two-year implementation period beginning from the finalization of the municipal advisor principal exam would be appropriate. PFM has a long-standing commitment to professional training, and dedicates significant resources on training and education. We strongly believe in continuing professional education for the mutual benefit of our municipal advisory representatives, and issuer clients. With some important modifications for consistency with existing regulation, we support the MSRB’s proposal for continuing education requirements.

Sincerely,

A handwritten signature in black ink, appearing to read "Leo Karwejna", is written over the typed name and title.

Leo Karwejna
Managing Director
Chief Compliance Officer