

Proposed Rule Change by Municipal Securities Rulemaking Board  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial <input checked="" type="checkbox"/>	Amendment <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) <input type="checkbox"/>	Section 19(b)(3)(A) <input checked="" type="checkbox"/>	Section 19(b)(3)(B) <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action <input type="checkbox"/>		Date Expires <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters).

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name  Last Name   
 Title   
 E-mail   
 Telephone  Fax

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,  
  
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date   
 By  Corporate Secretary  
 (Name)  (Title)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) The Municipal Securities Rulemaking Board (the “MSRB”) is hereby filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to terminate the MSRB’s CDINet system for material event notices received pursuant to Exchange Act Rule 15c2-12 on July 1, 2009. The text of the proposed rule change is set forth below:<sup>1</sup>

**OS/ARD Facility – Official Statement and Advance Refunding Document system (OS/ARD) of the MUNICIPAL SECURITIES INFORMATION LIBRARY<sup>®</sup> system or MSIL<sup>®</sup> system**

No change.

**[Plan for CDI Pilot System]**

[The Board is planning to create and operate a pilot system to accept and disseminate continuing disclosure information about outstanding issues of municipal securities. The proposed system, called the Continuing Disclosure Information Pilot System (“CDI Pilot System” or “Pilot System”), would become part of the Board’s Municipal Securities Information Library<sup>TM</sup> (“MSIL”<sup>TM</sup>)<sup>1</sup> {ftnt-1 – MUNICIPAL SECURITIES INFORMATION LIBRARY and MSIL are trademarks of the Board.}]

**[Overview]**

[The CDI Pilot System is designed to accept and disseminate official continuing disclosure documents relating to outstanding issues of municipal securities (“continuing disclosure information” or “CDI”). Voluntary submissions of CDI would be accepted from trustees and issuers of municipal securities issues (“submitters”) when provided by mail, by facsimile transmission or by computer modem. The Board anticipates that, during the pilot period, the system would be limited to short disclosure documents (e.g., one to three pages in length or the equivalent in electronic form, if provided by modem).]

[To help ensure the authenticity of CDI disseminated, the CDI Pilot System would include procedures to confirm the identity of the party sending the document. Recognizing that CDI may be of immediate relevance to pricing decisions being made in the market, the Board would seek to ensure that documents accepted in the Pilot System are disseminated on a timely basis and made available on equal terms to all interested parties.]

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<sup>1</sup> Brackets indicate deletions. The full text of MSRB facilities is available at <http://www.msrb.org/msrb1/rulesandforms>.

### **[Methods For Sending Documents to System]**

[A submitter that chooses to disseminate CDI to the market through the Pilot System would, at its option, either mail a paper document to the system, send the document by facsimile transmission, or send the document electronically by computer modem. As discussed in further detail below, CDI sent to the system would have to be accompanied by information that identifies who is submitting the document, the issuer of the securities to which the document relates and the nature of the document being submitted.]

### **[Procedures to Check Authenticity of Incoming Documents]**

[Before a trustee or issuer could begin submitting documents for dissemination through the CDI Pilot System, it first would identify itself to the Board as a submitter of CDI and identify the persons responsible for submission of CDI to the system. The Pilot System would keep this information in a “submitter file.” To establish a submitter file with the Board, a trustee or issuer would provide the Board with: (i) its name and address; (ii) the names and signatures of one or two persons who will be responsible for the documents sent to the system (“designated responsible parties”); and (iii) the telephone numbers that are to be used to communicate with the submitter. Submitters would be responsible for keeping the Board apprised of any changes in the submitter file information.]

[Upon creation of a submitter file, the Board would: (i) provide the submitter with a submitter number and (ii) provide each designated responsible party for the submitter with one “personal identification number” (“PIN”). PINs would be kept confidential by the Board. Each designated responsible party would be responsible for the security of his PIN.]

[After a submitter file is established, a designated responsible party for that submitter would be able to submit CDI to the Pilot System. In order to be disseminated by the system, an incoming document would have to be accompanied by the following information: (i) the name and identifying number of the submitter; (ii) the name of the designated responsible party; (iii) the PIN for the designated responsible party; (iv) information to identify the issuer of the securities to which the document relates;<sup>2</sup> {ftnt-2 – Under current planning, this item would be satisfied by providing the name of the issuer and at least one 6-digit number used in the CUSIP numbering system to identify the issuer.} (v) the date of the document that is being submitted; (vi) a short description of the document (limited to 320 characters), which would help identify the document to potential readers; and (vii) for facsimile transmissions and mailed documents, the signature of the designated responsible party.<sup>3</sup> {ftnt-3 – A signature would not be required for documents sent by computer modem.} For documents submitted by mail or facsimile transmission, this information would be provided by the submitter on a cover sheet (“cover sheet information”). For transmissions by modem, cover sheet information would be provided by modem.<sup>4</sup> {ftnt-4 – For those trustees and issuers seeking to submit documents by computer modem, the Board would provide free or at nominal cost (e.g., under \$100) software that would allow the submitter to enter all necessary cover sheet information. The software would guide the submitter in the process of entering cover sheet information and transmitting it and the document to the

System.}]

[Before a document is accepted by the Pilot System for dissemination, cover sheet information items (i) – (iii) would be checked to ensure that the information matches information within a submitter file. This review procedure would help to verify the authenticity of a document by ensuring that the document is being received from a designated responsible party. For a document transmitted by modem, these three items would be verified automatically by a computer program. This computer program also would ensure that the modem transmission from the submitter is being sent from the telephone number listed for this purpose in the submitter file and would allow the submitter to give a final authorization to the Board verifying that the document that was received by the Board is the one that the submitter wishes to disseminate.]

### **[Methods of Dissemination]**

[The CDI Pilot System would provide two methods of dissemination. The primary means of dissemination would be a subscription service transmitting each document accepted by the Pilot System as soon as possible after the document is accepted (“subscription service”). CDI sent to the Pilot System in paper form or by facsimile transmission would be sent to subscribers by facsimile transmission. CDI sent to the Pilot System by modem would be sent to subscribers by modem. Use of facsimile and modem transmissions for dissemination would provide the CDI to subscribers as quickly as possible and would allow subscribers to have access to the documents on an equal and simultaneous basis.<sup>5</sup>{ftnt-5 – Once a document has been accepted by the system and is ready for dissemination, the facsimile or modem transmission would begin simultaneously to all subscribers. However, if a subscriber is not able to begin to receive the transmission (e.g., because its facsimile machine is out of service) transmission to other subscribers would not be delayed.} As a secondary means of dissemination, documents provided to subscribers also would be available at the Board’s Public Access Facility (“PAF”) for review and copying.]

[However dissemination is made – either through the subscriber service or the PAF – each document disseminated by the system would be accompanied by the following cover sheet information: name of submitter; issuer identification information; the date of the document; and the description of the document. The Board would encourage redistribution of the documents and cover sheet information provided by the Pilot System and would not place any restrictions on redistribution.]

### **[Timing of Dissemination]**

[The Board would operate the CDI Pilot System with the goal of disseminating CDI as quickly as possible after it is received by the system. The actual time period between receipt by the system of a document and its dissemination would depend on a number of factors. The Board estimates that the average time for a person to review and process an incoming document in paper or facsimile form would be approximately 10-15 minutes. After acceptance into the system, the document would be ready for dissemination. However, the speed of facsimile

transmission (approximately one minute per page) may create processing queues. In addition, depending on the incoming volume of CDI in paper and facsimile form, processing queues might develop for acceptance review.]

[The Board is planning the CDI Pilot System so that it can accommodate up to 100 incoming documents per day during the pilot period. The Board also plans for the system to meet the following minimum goals in the event of such a high volume of input. CDI submitted by computer modem would be disseminated within minutes of the final authorization given by the submitter<sup>6</sup> {ftnt-6 – Modem transmissions could be processed more quickly than mailed and facsimile transmissions because of the automated processing and dissemination of the documents, which also allows these documents to be processed and disseminated separately from facsimile and mailed transmissions.} and CDI submitted by facsimile transmission and mail would be transmitted to subscribers no later than the day that it is received by the Board. As noted above, the Board anticipates that normal time between receipt and dissemination of a document would be much faster than this.]

[As between mail and facsimile transmissions, the Board believes a submitter likely would use facsimile transmission if he believes that the CDI contains time-critical information that is of immediate importance to the market. Thus, the Board would give priority in system processing queues to incoming facsimile transmissions over mailed documents.]

### **[Hours of Operation]**

[The CDI Pilot System would operate on business days on which the Board is open (most business days except for federal holidays). Documents would be accepted and disseminated only on Board business days. The system would receive documents submitted by trustees and issuers by mail, facsimile transmission and computer modem from 9:00 a.m. to 4:00 p.m. Eastern Time. Subscribers would begin receiving transmissions from the system at 9:00 a.m. Eastern Time and transmissions would continue throughout the business day until all documents accepted by the system on that day are transmitted. During PAF business hours (9:00 a.m. to 4:30 p.m. Eastern Time), PAF users would have access to all documents that have been disseminated to subscribers.]

### **[Pilot Procedure]**

[The Board plans for the CDI Pilot System to operate for a period of 18 months. At the end of the pilot period, the Board would evaluate system operations and decide whether to continue, substantially modify or discontinue the system. The Board would report on the pilot program to the Commission at the end of the pilot period. In addition, the Pilot System would be implemented in phases. At the end of each phase, the Board would evaluate and address any technical, policy and cost issues which arose during that phase, prior to committing the system to a greater capacity. The Board would report to the Commission on each phase after it is completed.]

[During the first six months of pilot operations, the system would establish submitter files and accept short disclosure notices only from trustees. After this phase, submitter files also would be established for issuers and short disclosure notices would be accepted from issuers as well as trustees. Limiting the system initially to trustees would allow the Board to gain experience with a relatively limited universe of potential submitters (approximately 1,800 trustees), prior to expanding the system to a much larger and more diverse universe of potential submitters (approximately 80,000 issuers).]

[The Board plans that, during the pilot period, the CDI Pilot System would accept only short disclosure notices (e.g., one to three pages of text, exclusive of the cover sheet or the equivalent in electronic form if submitted via modem).<sup>7</sup> {ftnt-7 – If longer documents are sent to the Board, they will not be accepted or disseminated during the pilot period.} The Board believes that, by assisting in the dissemination of such notices, it would address one of the most important problems with respect to CDI in the municipal securities market, while helping to assure that the Pilot System operates in a successful and cost-effective manner. After gaining experience with short disclosure notices, the Board would evaluate how to expand the system to accommodate longer documents.]

### **[System Costs and Fees]**

[The operational cost of the CDI Pilot System would be dependent on a number of factors that can not be predicted in advance, including: (i) the number of submitters that will seek access to the system; (ii) the volume of incoming documents (iii) the percentages of incoming documents that are mailed, transmitted by facsimile, and transmitted by modem;<sup>8</sup> {ftnt-8 – Because of automated processing of cover sheet information, modem transmissions would be much less expensive to process than paper or facsimile documents. Facsimile documents would be moderately less expensive to process than mailed documents since they will be received in the form in which they will be disseminated to subscribers.} (iv) the intra-day pattern of submissions;<sup>9</sup> {ftnt-9 – Greater costs would be incurred if facsimile transmissions are “bunched” at one time period each day because sufficient system personnel would be needed to ensure that these documents are disseminated as quickly as possible on the day that they are received.} (v) the number of subscribers; and (vi) the number of PAF users seeking CDI and the volume of their document requests. Based on an assumption of 50 incoming documents per day by mail or facsimile transmission, 20 subscribers, and relatively limited PAF use, the Board anticipates that yearly operational costs would fall within a range of \$300,000 to \$500,000. Cost estimates could move outside this range depending on the volume of incoming paper or facsimile documents and the number of subscribers and PAF users. As more information becomes available in the planning and/or implementation process, the Board would report to the Commission any material revisions in these cost estimates.]

[Although Board funds would be expended to initiate the project and most likely would be necessary to support the Pilot System, the Board intends that, over time, the operational costs of any Board-operated CDI system would be borne primarily by fees paid by system subscribers and PAF users. Submitters would not be charged a fee to establish submitter files or to submit

documents to the system.]

[Since operational costs and the number of subscribers and PAF users cannot be predicted at this time, fee estimates for the CDI Pilot System necessarily are preliminary and subject to change. At a maximum, total subscriber and PAF fees received by the Board would not exceed the operational cost of the system. At a minimum, fees would cover costs of dissemination of the documents. Subscribers would pay a one time “set-up” fee to cover the cost of equipment and telephone installation necessary to service that subscriber (estimated at \$2,000). In addition, a subscriber would pay a flat fee to receive all documents accepted by the system and would pay the telephone charges actually incurred by the Board to transmit documents to that subscriber. At this time, the Board estimates that first year costs for the subscription service (excluding the set-up fee) would be approximately \$10,000 to \$15,000, plus the cost of telephone service to that subscriber. PAF users would be able to review documents free of charge. Paper copies of documents could be obtained at the PAF at a cost of approximately \$.20 per page.<sup>10</sup> {ftnt-10 – The Board would review CDI Pilot System fees annually.}]

\* \* \* \* \*

[1. The enrollment procedure for issuers and trustees and use of unique identifying numbers to make submissions to the System will be discontinued. Submissions with cover sheets or that refer to one of the 12 enumerated material events in their title will be accepted from any submitter.<sup>1</sup> {ftnt-1 – Rule 15c2-12(b)(5)(i)(C) specifies 11 material events to be disclosed, if material. Rule 15c2- 12(b)(5)(i)(D) also requires that issuers provide notice of the failure to provide required annual financial information. These events are referred to herein as the 12 enumerated material events.}]

[2. The cover sheet in use under the enrollment procedure has been modified to reflect the discontinuation of the enrollment procedure and to obtain identifying information about the issuer, the securities at issue, and the material event being disclosed.<sup>2</sup> {ftnt-2 – A copy of the modified cover sheet [appears below].}]

[3. The current limit of three pages will be discontinued. The full text of documents, up to 10 pages, will be disseminated electronically. For documents exceeding 10 pages, the first 10 pages will be transmitted, with the full text made available to subscribers by mail, upon request.]

[4. The interim CDI System will expand its hours for accepting submissions from 9 a.m. to 4 p.m., Eastern Time, to 8 a.m. to 5 p.m., Eastern Time.]

\* \* \* \* \*

**[MATERIAL EVENT NOTICE COVER SHEET]**

[This cover sheet and material event notice should be sent to the Municipal Securities Rulemaking Board or to all Nationally Recognized Municipal Securities Information Repositories, and the State Information Depository, if applicable, pursuant to Securities and

Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).]

[Issuer's and/or Other Obligated Person's Name: \_\_\_\_\_]

[Issuer's Six-Digit CUSIP Number(s):]

[\_\_\_\_\_]

[\_\_\_\_\_]

[or Nine-Digit CUSIP Number(s) to which this material event notice relates: \_\_\_\_\_]

[\_\_\_\_\_]

[Number of pages of attached material event notice: \_\_\_\_\_]

[Description of Material Event Notice (Check One):]

- [1. \_\_\_ Principal and interest payment delinquencies]
- [2. \_\_\_ Non-payment related defaults]
- [3. \_\_\_ Unscheduled draws on debt service reserves reflecting financial difficulties]
- [4. \_\_\_ Unscheduled draws on credit enhancements reflecting financial difficulties]
- [5. \_\_\_ Substitution of credit or liquidity providers, or their failure to perform]
- [6. \_\_\_ Adverse tax opinions or events affecting the tax-exempt status of the security]
- [7. \_\_\_ Modifications to rights of security holders]
- [8. \_\_\_ Bond calls]
- [9. \_\_\_ Defeasances]
- [10. \_\_\_ Release, substitution, or sale of property securing repayment of the securities]
- [11. \_\_\_ Rating changes]
- [12. \_\_\_ Failure to provide annual financial information as required]
- [13. \_\_\_ Other material event notice (specify)\_\_\_\_\_]

[I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:]

[\_\_\_\_\_]

[Signature]

[Name: \_\_\_\_\_ Title: \_\_\_\_\_]

[Employer: \_\_\_\_\_]

[Address: \_\_\_\_\_]

[City, State, Zip Code: \_\_\_\_\_]

[Voice Telephone Number: (\_\_\_\_\_) \_\_\_\_\_]

**[Please print the material event notice attached to this cover sheet in 10-point type or larger. The cover sheet and notice may be faxed to the MSRB at (703) 683-3644. Contact the MSRB at (202) 223-9503 with questions regarding this form or the dissemination of this notice.]**

\* \* \* \* \*

[1. The current limit of 10 pages per document for fax and paper submissions will be changed to 25 pages. For documents exceeding 25 pages, the first 25 pages will be transmitted, with the full text made available to subscribers by mail, upon request. The capacity of the system to transmit documents will also be increased.]

[2. CDINet will replace the interim CDI System’s modem submission system with a secure Web page on the Internet that may be used by submitters of disclosure documents.]

[3. The annual subscription price for CDINet will be increased to \$23,000.]

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was adopted by the MSRB on March 3, 2008. Questions concerning this filing may be directed to Ernesto A. Lanza, General Counsel, Leslie Carey, Associate General Counsel, or Margaret C. Henry, Associate General Counsel, at (703) 797-6600.

3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(a) The proposed rule change would terminate the MSRB’s CDINet system for material event notices received pursuant to Exchange Act Rule 15c2-12 on July 1, 2009. CDINet is operated as a system of the MSRB’s Municipal Securities Information Library system. The Commission has previously approved the establishment of a continuing disclosure service of the

MSRB's Electronic Municipal Market Access system ("EMMA"), which will be placed into operation on July 1, 2009 and will replace CDINet.<sup>2</sup>

In addition, the MSRB expects to commence operation of a pilot phase of the continuing disclosure service (the "continuing disclosure pilot") on June 1, 2009. The continuing disclosure pilot would permit voluntary submission and public dissemination of continuing disclosure documents prior to the commencement of operation of the permanent EMMA continuing disclosure service. The MSRB would view electronic submissions of material event notices to the continuing disclosure pilot as having been submitted to the MSRB for purposes of any existing continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12 pursuant to which an issuer or obligated person has undertaken to provide such documents to the MSRB. The MSRB urges, but does not require, submitters currently using CDINet in connection with their material event notice filings to instead make submissions on or after June 1, 2009 to the continuing disclosure pilot, solely in electronic format, upon the launch of the continuing disclosure pilot until such time as all submissions must be made to the permanent EMMA continuing disclosure service.

(b) The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Exchange Act, which provides that MSRB's rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The replacement of CDINet with the continuing disclosure service of EMMA will remove impediments to and help perfect the mechanisms of a free and open market in municipal securities, assist in preventing fraudulent and manipulative acts and practices, and will in general promote investor protection and the public interest by ensuring significantly more efficient submissions of a broader, more comprehensive array of continuing disclosure documents to the MSRB and the broader, more efficient dissemination of such continuing disclosure documents to the public through the EMMA web portal and to subscribers.

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<sup>2</sup> See Exchange Act Release No. 59061 (December 5, 2008), 73 FR 75778 (December 12, 2008) (File No. SR-MSRB-2008-05).

4. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. CDINet and the subscription service provided thereunder will be replaced on July 1, 2009 by the continuing disclosure service of EMMA as a source of continuing disclosure documents to the general public through the EMMA web portal and to subscribers through a continuing disclosure subscription service. The continuing disclosure subscription service will make continuing disclosure documents available on an equal basis without imposing restrictions on subscribers from re-disseminating such documents or otherwise offering value-added services and products based on such documents on terms determined by each subscriber.

5. Self-Regulatory Organization's Statement on Comments Received on the Proposed Rule Change by Members, Participants, or Others

Written comments were neither solicited nor received with respect to the extension of the EMMA pilot.

6. Extension of Time Period for Commission Action

The MSRB declines to consent to an extension of the time period specified in Section 19(b)(2) of the Exchange Act.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The proposed rule change is effective upon filing pursuant to Section 19(b)(3) of the Exchange Act and paragraph (f)(6) of Rule 19b-4 thereunder, in that the proposed rule change: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the MSRB has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The MSRB provided the required written notice of its intention to file the proposed rule change to the Commission on May 20, 2009 and the proposed rule change becomes operative on July 1, 2009, which is more than 30 days after the filing of the proposed rule change.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

Not applicable.

9. Exhibits

1. Federal Register Notice.

**EXHIBIT 1**

**SECURITIES AND EXCHANGE COMMISSION**

(Release No. 34- ; File No. SR-MSRB-2009-07)

Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to the Termination of the CDINet System

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 29, 2009, the Municipal Securities Rulemaking Board (the “MSRB”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

The MSRB has filed with the Commission a proposed rule change to terminate the MSRB’s CDINet system for material event notices received pursuant to Exchange Act Rule 15c2-12 on July 1, 2009. The text of the proposed rule change is available on the MSRB’s web site at [www.msrb.org/msrb1/sec.asp](http://www.msrb.org/msrb1/sec.asp), at the MSRB’s principal office, and at the Commission’s Public Reference Room. The full text of MSRB facilities is available at <http://www.msrb.org/msrb1/rulesandforms>.

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

## **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B and C below, of the most significant aspects of such statements.

### **A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

#### **1. Purpose**

The proposed rule change would terminate the MSRB's CDINet system for material event notices received pursuant to Exchange Act Rule 15c2-12 on July 1, 2009. CDINet is operated as a system of the MSRB's Municipal Securities Information Library system. The Commission has previously approved the establishment of a continuing disclosure service of the MSRB's Electronic Municipal Market Access system ("EMMA"), which will be placed into operation on July 1, 2009 and will replace CDINet.<sup>3</sup>

In addition, the MSRB expects to commence operation of a pilot phase of the continuing disclosure service (the "continuing disclosure pilot") on June 1, 2009. The continuing disclosure pilot would permit voluntary submission and public dissemination of continuing disclosure documents prior to the commencement of operation of the permanent EMMA continuing disclosure service. The MSRB would view electronic

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<sup>3</sup> See Exchange Act Release No. 59061 (December 5, 2008), 73 FR 75778 (December 12, 2008) (File No. SR-MSRB-2008-05).

submissions of material event notices to the continuing disclosure pilot as having been submitted to the MSRB for purposes of any existing continuing disclosure undertakings entered into consistent with Exchange Act Rule 15c2-12 pursuant to which an issuer or obligated person has undertaken to provide such documents to the MSRB. The MSRB urges, but does not require, submitters currently using CDINet in connection with their material event notice filings to instead make submissions on or after June 1, 2009 to the continuing disclosure pilot, solely in electronic format, upon the launch of the continuing disclosure pilot until such time as all submissions must be made to the permanent EMMA continuing disclosure service.

## **2. Statutory Basis**

The MSRB has adopted the proposed rule change pursuant to Section 15B(b)(2)(C) of the Exchange Act, which provides that MSRB's rules shall:

be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSRB believes that the proposed rule change is consistent with the Exchange Act.

The replacement of CDINet with the continuing disclosure service of EMMA will remove impediments to and help perfect the mechanisms of a free and open market in municipal securities, assist in preventing fraudulent and manipulative acts and practices, and will in general promote investor protection and the public interest by ensuring significantly more efficient submissions of a broader, more comprehensive array of continuing disclosure documents to the MSRB and the broader, more efficient

dissemination of such continuing disclosure documents to the public through the EMMA web portal and to subscribers.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

The MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. CDINet and the subscription service provided thereunder will be replaced on July 1, 2009 by the continuing disclosure service of EMMA as a source of continuing disclosure documents to the general public through the EMMA web portal and to subscribers through a continuing disclosure subscription service. The continuing disclosure subscription service will make continuing disclosure documents available on an equal basis without imposing restrictions on subscribers from re-disseminating such documents or otherwise offering value-added services and products based on such documents on terms determined by each subscriber.

**C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others**

Written comments were neither solicited nor received on the proposed rule change.

**III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The MSRB represented that the proposed rule change qualifies for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Exchange Act<sup>4</sup> because it: (i) does not significantly affect the protection of investors or the public interest; (ii) does not

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<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

impose any significant burden on competition; and (iii) does not become operative for 30 days after filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>5</sup>

The MSRB provided the required written notice of its intention to file the proposed rule change to the Commission on May 20, 2009 and the proposed rule change becomes operative on July 1, 2009, which is more than 30 days after the filing of the proposed rule change.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Exchange Act.

#### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2009-07 on the subject line.

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<sup>5</sup> In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, Station Place, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2009-07. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site ([www.sec.gov/rules/sro.shtml](http://www.sec.gov/rules/sro.shtml)). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2009-07 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

Elizabeth M. Murphy  
Secretary

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<sup>6</sup> 17 CFR 200.30-3(a)(12).