

Morgan Stanley

July 30, 2009

Ms. Leslie Carey  
Associate General Counsel  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, VA 22314

Re: MSRB Notice 2009-35 – Request for Comment: Rule G-37 on Political Contributions and Prohibitions on Municipal Securities Business – Bond Ballot Campaign Committee Contributions

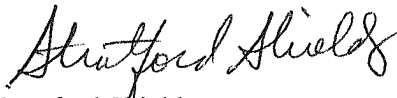
Dear Ms. Carey:

I appreciate the opportunity to comment on MSRB Notice 2009-35, which proposes disclosure of certain contributions to municipal bond ballot campaigns. I have previously been a signatory to letters on this topic, and I laud the Board for taking this positive first step in requiring such disclosure.

While the proposal parallels the disclosure required by Rule G-37 for political contributions, it does not carry the corresponding ban on engaging in municipal securities business in a particular jurisdiction if a prohibited contribution is made. I believe the Board should take the requirements further to include a similar ban on underwriting municipal business for non-de minimus bond ballot contributions. When an underwriter contributes to a bond ballot campaign and is then selected for the resulting negotiated underwriting, it serves to foster the appearance of pay-to-play in our marketplace. Morgan Stanley as a firm made the decision to discontinue municipal bond ballot contributions and continues to advocate an industry wide solution.

Thank you for considering my comments in support of enhanced disclosure and further action to increase transparency and further level the playing field for the municipal marketplace.

Sincerely,



Stratford Shields  
Managing Director  
Head of Public Finance