

October 8, 2014

VIA ELECTRONIC MAIL

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

*RE: MSRB Notice 2014-15 August 18, 2014) – Request for Comment on Draft Amendments to MSRB Rule G-37 to Extend its Provisions to Municipal Advisors*

Dear Mr. Smith:

On behalf of the Bond Dealers of America (“BDA”), I am pleased to submit this updated and revised letter in response to Municipal Securities Rulemaking Board (“MSRB”) Notice 2014-15 (“Notice”) seeking comment on amendments to MSRB Rule G-37 (the “Draft Rule”) on political contributions made by dealers and prohibitions on municipal securities business, to extend the rule to cover municipal advisors. BDA is the only DC-based group representing the interests of middle-market securities dealers and banks focused on the U.S. fixed income markets.

***BDA Supports Leveling the Playing Field Between Dealers and Municipal Advisors*** . The BDA supports the approach that the MSRB has taken in extending the political contribution prohibitions contained within Rule G-37 to municipal advisors. As the BDA has stated since the adoption of the Dodd-Frank Act, we believe that it is important that there is a level playing field between dealers and municipal advisors. We believe the MSRB’s approach in the Draft Rule would provide that level playing field with respect to political contributions and prohibitions on future business.

***Potentially Duplicative Regulatory Regime.*** We note that the approach the MSRB has taken with respect to the Draft Rule may entail unnecessary duplication for dealers. For example, as is the case with some dealers, all of their employees who act as a municipal advisor also serve as bankers in an underwriting capacity. The way the MSRB has written the rule will require these employees to keep dual records and disclosures for the same contributions - contributions they are already required to monitor and disclose. We would therefore suggest to the MSRB that they consider revising the provisions of amended Rule G-37 to permit those employees to maintain one set of records and disclosures.

***Harmonization of De Minimis Contribution.*** We urge the MSRB to increase the de minimis contribution limits for dealers and municipal advisors with respect to officials

for whom they are entitled to vote from \$250 to \$350. This would allow that de minimis contribution to be harmonized with the comparable de minimis contribution limits for investment advisers and swap dealers, resulting in more efficient administration of political contribution programs for dealers and municipal advisors that are also subject to the CFTC swap dealer and/or SEC investment advisor political contributions rules. We do not support extending the de minimis contribution limit to cover contributions to officials for whom a dealer or municipal adviser is not entitled to vote as that would create considerable chaos in the municipal securities market with respect to rules that have become settled and accepted and appear to be working well.

Thank you for the opportunity to submit these revised comments on the Draft Rule.

Sincerely,

A handwritten signature in blue ink that reads "Michael Nicholas". The signature is written in a cursive, flowing style.

Michael Nicholas  
Chief Executive Officer