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March 31, 2017

**VIA ELECTRONIC MAIL**

Mr. Ronald W. Smith, Corporate Secretary  
Municipal Securities Rulemaking Board  
1300 I Street, NW  
Suite 1000  
Washington, DC 20005

**Re: Regulatory Notice 2017-05, Request for Comment on Draft Amendments to and Clarifications of MSRB Rule G-34, on Obtaining CUSIP Numbers**

Dear Mr. Smith:

Acacia Financial Group, Inc. (“Acacia”) is a national financial advisory firm that serves a wide range of clients including high profile issuers, local small issuers and infrequent issuers. Our firm serves as municipal advisor on numerous competitive deals each year and we work with clients who enter into bank loans, direct purchases and private placements. We are submitting our comments on both the need for non-dealer municipal advisors to obtain CUSIP numbers for competitive transactions and on the need for CUSIP numbers for direct purchases, bank loans or private placements.

With respect to the questions raised in the request for comment on non-dealer municipal advisors obtaining CUSIP numbers the following are Acacia’s responses:

1. The regulatory imbalance between non-dealer municipal advisor and dealer municipal advisors can easily be remedied by changing G-34 to remove the responsibility of obtaining CUSIP numbers from dealer municipal advisors and simply requiring the underwriter who wins the competitive bid to obtain the CUSIP numbers. We believe that this is the single most efficient way to deal with this requirement as all competitive public deals have an underwriter. Extending this requirement to non-dealer municipal advisors does not acknowledge the increase in work or cost on many of the small firms that currently do competitive transactions. This approach would also render moot any concerns regarding an issuer or purchaser from electing to use a non-dealer municipal advisor instead of a dealer municipal advisor for a transaction where the issuer or purchaser does not want to have a CUSIP number.
2. Acacia does not believe that issuers would not use a municipal advisor merely because of CUSIP numbering requirement. Based on the clients that we have worked with over the years on direct purchases, bank loans or private placements, our clients have no opinion on the use of CUSIP numbers and defer to the underwriter or purchaser on the need for a CUSIP on the transaction.

3. We believe that the way to achieve the CUSIP numbering requirement is to require the underwriter in negotiated, competitive and private placements to obtain the CUSIP numbers. We recognize that at the time the initial rule was adopted there were real concerns on obtaining CUSIP numbers; however, over the years, it has become standard practice for the winning underwriter in a competitive sale to apply for the CUSIP numbers. We think changing that process benefits no one. The way to achieve parity is not by increasing the duties of municipal advisor but by maintaining the duties with the underwriting community. The MSRB must consider the impact of this proposed change on the many small municipal advisory firms for whom this duty would create an additional burden.

Lastly, Acacia believes the MSRB did not adequately account for the economic impact on non-dealer municipal advisor with this requirement and the positive economic benefit to dealer municipal advisors by removing this burden. This is an instance where the simplest approach is the best and this approach would achieve the MSRB's stated goal to alleviate the "regulatory imbalance" while not increasing the regulatory burden unnecessarily.

With respect to the need for CUSIP numbers for private placements, we are not clear on why the MSRB believes that CUSIP numbers are needed for private placements that are booked as loans by banking institutions who intend to hold the loan until maturity. It is our understanding that the treatment by a bank of a loan versus a municipal security impacts their credit evaluation and pricing. Therefore, we can see no benefit from requiring a CUSIP in these instances, but rather believe there could be unintended consequences on those issuers who use bank loans or direct purchases to cost effectively finance their capital needs. Acacia believes there is adequate guidance that such instruments be disclosed and we do not view this requirement as creating a better way to have these instruments disclosed by issuers.

We appreciate the opportunity to comment on the proposed changes to Rule G-34.

Sincerely:



Noreen P. White  
Co-President



Kim M. Whelan  
Co-President