

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * <input type="text" value="16"/> | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4 | File No.* SR - <input type="text" value="2010"/> - * <input type="text" value="17"/> | Amendment No. (req. for Amendments *) <input type="text"/> |
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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 checked="" type="checkbox"/> | Section 19(b)(3)(A) * <input type="checkbox"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
|   |   |                                     | Rule   |  |  |
| Pilot <input type="checkbox"/>                | 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 type="checkbox"/> 19b-4(f)(6)           |  |

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|---|---|
| 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, required when Initial is checked \*).

Proposed amendments to Rule A-3, on membership on the Board, in order to establish a Nominating Committee in compliance with transitional Rule A-3(i)

**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 * <input type="text" value="Lawrence"/>                    | Last Name * <input type="text" value="Sandor"/> |
| Title * <input type="text" value="Senior Associate General Counsel"/> |   |
| E-mail * <input type="text" value="lsandor@msrb.org"/>                |   |
| Telephone * <input type="text" value="(703) 797-6600"/>               | Fax <input type="text" value="(703) 797-6700"/> |

**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 <input type="text" value="11/30/2010"/>    |  |  |
| By <input type="text" value="Ronald W. Smith"/> | <input type="text" value="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 (required)**

Add Remove View

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 (required)**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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**

Add Remove View

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 (“MSRB” or “Board”) is hereby filing with the Securities and Exchange Commission (“Commission” or “SEC”) a proposed rule change consisting of amendments to Rule A-3, on Membership on the Board. The proposed rule change is set forth below, with underlining indicating additions and brackets indicating deletions.

**Rule A-3: Membership on the Board**

(a) – (b) No change

(c) *Nomination and Election of Members.*

(i) Members shall be nominated and elected in accordance with the procedures specified by this rule. [All members of the Board shall be elected for terms of three years, so that the terms of office of one-third of the whole Board shall expire each year.] The terms of office of all members of the Board shall commence on October 1 of the year in which elected and shall terminate on September 30 of the year in which their terms expire. Members may be elected to staggered terms. A member may not serve consecutive terms, unless special circumstances warrant that the member be nominated for a successive term or because the member served only a partial term as a result of filling a vacancy pursuant to section (e) of this rule. [A member of the Board may serve additional terms as a Board member upon nomination and election for each such additional term in accordance with the procedures specified by this rule, provided that, a member of the Board may immediately succeed himself or herself in office for only a single successive term and only upon nomination and election for such successive term in accordance with the procedures specified by this rule.] No broker-dealer representative, [or] bank representative, or municipal advisor representative may be succeeded in office by any person associated with the broker, dealer, [or] municipal securities dealer, or municipal advisor with which such member was associated at the expiration of such member’s term except in the case of a Board member who succeeds himself or herself in office.

(ii) [The Board will appoint a Nominating Committee composed of nine members. The membership of the Nominating Committee shall consist of six Board members and three persons who are not members of the Board. Of the six Board members, two shall be bank representatives, two shall be broker-dealer representatives, and two shall be public representatives. Of the three non-Board members, one shall be associated with and representative of bank dealers, one shall be associated with and representative of brokers, dealers, and municipal securities dealers other than bank dealers, and one shall not be associated with any broker, dealer, or municipal securities dealer (other than by reason of being under common control with, or indirectly controlling any broker or dealer which is not a broker, dealer or municipal securities dealer that effects municipal securities transactions).] Candidates for Board membership shall be nominated by a committee (the “Nominating and Governance Committee”)

consisting of six public Board members and five Board members representing entities regulated by the MSRB. Among the six public Board members, at least one but no more than three shall be representative of institutional or retail investors in municipal securities, at least one but no more than three shall be representative of municipal entities, and at least one but no more than three shall be members of the public with knowledge of or experience in the municipal industry and not representative of investors or municipal entities. Among the representatives of entities regulated by the MSRB, at least one but no more than two shall be associated with and representative of brokers, dealers or municipal securities dealers that are not banks or subsidiaries or departments or divisions of banks, at least one but no more than two shall be associated with and representative of municipal securities dealers that are banks or subsidiaries or departments or divisions of banks, and at least one but no more than two shall be associated with and representative of municipal advisors and shall not be associated with brokers, dealers or municipal securities dealers. The Chair of the Nominating and Governance Committee shall be a public member. In appointing persons to serve on the Nominating and Governance Committee, factors to be considered include, without limitation, diversity in the geographic location, size and type of brokers, dealers, [and] municipal securities dealers, and municipal advisors represented on such Committee.

(iii) The Nominating and Governance Committee shall publish a notice in a financial journal having [general] national circulation among members of the municipal securities industry and in a separate financial journal having general national circulation soliciting [nominations] applicants for the positions on the Board to be filled in such year. The notice shall require that applicant recommendations be accompanied by a statement of the position for which the person is recommended, the background and qualifications for membership on the Board of the person recommended and, if applicable, information concerning such person's association with any broker, dealer, [or] municipal securities dealer, municipal advisor, municipal entity, or institutional investor. The Nominating and Governance Committee shall accept recommendations pursuant to such notice for a period of at least 30 days. Any interested member of the public, whether or not associated with a broker, dealer, [or] municipal securities dealer, municipal advisor, municipal entity, or institutional investor, may submit recommendations to the Nominating and Governance Committee. [The names of all persons recommended to the Nominating Committee shall be made available to the public upon request.]

(iv) The Nominating and Governance Committee shall nominate one person for each of the Board positions to be filled and shall submit the nominees to the Board for approval. In making such nominations, the Nominating and Governance Committee shall take into consideration such factors as, without limitation, diversity in the geographic location, size and type of brokers, dealers, [and] municipal securities dealers, and municipal advisors represented on the Board, as well as the background, experience, and knowledge of the municipal securities markets of the public Board members. Each nomination shall be accompanied by a statement indicating the position for which such person is nominated, the nominee's qualifications to serve as a member of the Board, and information concerning the nominee's association, if any, with a[ny] broker, dealer, [or]

municipal securities dealer, municipal advisor, municipal entity, or institutional investor.  
The names of the nominees [will] shall be confidential.

(v) The Board shall accept or reject each nominee submitted by the Nominating and Governance Committee. [In the event that] If the Board rejects a nominee, the Nominating and Governance Committee [will] shall propose another nominee for Board consideration.

[(vi) The public representatives on the Board will, prior to their assumption of office, be subject to approval by the Commission to assure that no one of them is associated with any broker, dealer or municipal securities dealer (other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a broker, dealer or municipal securities dealer that effects municipal securities transactions) and that at least one of the public representatives of the Board is representative of investors in municipal securities and at least one is representative of issuers of municipal securities.]

[(vii)](vi) Upon completion of the procedures for nomination and election of new Board members, the Board will announce the names of the new members not later than October 1 of each year. The names of all applicants who agreed to be considered by the Nominating and Governance Committee shall be made available on the Board's website no later than one week after the announcement of the names of new Board members for the following fiscal year.

(vii) The Nominating and Governance Committee shall also be responsible for assisting the Board in fulfilling its oversight responsibilities regarding the effectiveness of the Board's corporate governance system.

(d) – (i) No change

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

## **2. Procedures of the Self-Regulatory Organization**

The proposed rule change was adopted by the Board at its October 20-22, 2010 meeting. Questions concerning this filing may be directed to Lawrence P. Sandor, Senior 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) Purpose

The purpose of the proposed rule change is to make changes to MSRB Rule A-3(c) as are necessary and appropriate prior to the creation of the Nominating Committee of the MSRB (hereinafter, “Nominating and Governance Committee”). On September 30, 2010, the SEC approved MSRB Rule A-3(i), a transitional rule for MSRB fiscal year 2011 intended to implement the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (the “Dodd-Frank Act”).<sup>1</sup> The transitional rule provides that on or after October 1, 2010, and prior to the formation of the Nominating Committee for purposes of nominating Board members for fiscal year 2012, the Board will amend the provisions of Rule A-3(c) to (a) reflect the composition of the Board as provided under the Dodd-Frank Act, (b) assure that the Nominating Committee will be composed of a majority of public members and will have fair representation of broker-dealers, bank dealers, and municipal advisors, and (c) reflect such other considerations consistent with the provisions of Section 15B of the Securities Exchange Act of 1934 (the “Act”) and the Dodd-Frank Act as the Board deems appropriate. The proposed rule change is intended to amend Rule A-3(c) to be consistent with the requirements of transitional Rule A-3(i).

#### Amendments to Rule A-3(c)

Consistent with Rule A-3(i), the Nominating and Governance Committee would consist of eleven members, six of whom would be public members and five of whom would be industry members. The Chair of the Committee would be a public member. Establishing an eleven member committee will allow for fair representation of regulated entities by reserving five positions for brokers, dealers, municipal securities dealers and municipal advisors.

Each constituency identified in the Dodd-Frank Act would be guaranteed a minimum of one seat on the Nominating and Governance Committee but the level of each constituency would be capped to avoid overweighting of any one over the others. These ranges of membership are as follows:

- six public members consisting of (a) at least one, but no more than three, representative of institutional or retail investors; (b) at least one, but no more than three, representative of municipal entities; (c) at least one, but no more than three, members of the public with knowledge of or experience in the municipal industry and not representative of investors or municipal entities<sup>2</sup>; and

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<sup>1</sup> See Exchange Act Release No. 63025 (Sep. 30, 2010), 75 FR 61806 (Oct. 6, 2010).

<sup>2</sup> In order to ensure balance on the committee and reflect the breadth of public representatives on the Board, the proposal would require one to three committee members be selected from Board members who are not representative of municipal entities or investors.

- five regulated members, consisting of (a) at least one, but no more than two, representative of broker-dealers; (b) at least one, but no more than two, representative of bank dealers; and (c) at least one, but no more than two, representative of non-dealer municipal advisors.

The Board believes this formulation is consistent with the Dodd-Frank Act and Rule A-3(i) in that it provides for a majority of public members on the Committee and fair representation of regulated entities. The MSRB also believes it important that the Chair of the Nominating and Governance Committee be a public member, both as a governance best practice and in recognition of the majority of public members on the Board, as mandated by the Dodd-Frank Act.

The Board also proposes certain administrative amendments to Rule A-3(c). First, the rule change provides that members may serve staggered terms, which are terms that do not commence and conclude on the same date thereby creating groups or classes of directors. The Board had been divided previously into three classes of five members per class. Each year, one class would conclude its service. In order to comply with the Dodd-Frank Act, the Board modified this structure to accommodate a 21 member Board. While the terms are staggered currently, the new group of 11 Board members is serving a two year transitional term, while the other members continue to serve three year terms. The Board is currently evaluating the appropriate term for new Board members, but expects that terms will continue to be staggered in order to relieve the burden on the Nominating and Governance Committee of replacing the entire Board in any one year and in order to ensure the continuity and consistency of the Board.

Next, the proposed rule change reflects that Board members may only serve consecutive terms under two scenarios: (a) by invitation from the Nominating and Governance Committee due to special circumstances as determined by the Board, such as where a Board member possesses special expertise needed by the Board that is not possessed by other Board members or generally by persons in the pool of potential candidates for Board membership; or (b) having filled a vacancy under Rule A-3(e) and, therefore, served only a partial term.

The Board also proposes revisions to Rule A-3(c) to provide that it will solicit nominations for Board membership in a financial journal having national circulation among members of the municipal securities industry, as well as a financial journal having general national circulation. This change is proposed because potential public members and certain types of municipal advisors may not read municipal securities newspapers or periodicals regularly. Finally, the Board proposes changes to Rule A-3(c) to require the publishing on the Board's website of the names of all applicants for Board membership.<sup>3</sup> Such publication is intended to make the nominating process more transparent. Some

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<sup>3</sup> In some cases, a person may be recommended to the MSRB for membership on the Board but he or she may not wish to be considered. Any person who declines to be considered would not be treated as an applicant and his or her name would not be published.

commentators on the transitional Rule A-3 amendments made suggestions regarding improving transparency of the MSRB's election process, and the Board believes the practice of publishing the names of all Board applicants will provide more transparency regarding the nominating process.

(b) Statutory Basis

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

establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of public representatives, broker dealer representatives, bank representatives, and advisor representatives.

The MSRB believes that the proposed rule change is consistent with the Act, as amended by the Dodd-Frank Act, in that it would provide for the creation of an MSRB Nominating and Governance Committee that reflects the composition of the Board as provided under the Dodd-Frank Act and would assure that the Nominating and Governance Committee be composed of a majority of public members and have fair representation of broker-dealers, bank dealers, and municipal advisors, consistent with MSRB Rule A-3(i) as approved by the SEC.

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

The Board 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 Act since it is solely concerned with the administration of the MSRB and, in any event, provides for fair representation on the Nominating and Governance Committee of public representatives, broker dealer representatives, bank dealer representatives and municipal advisor representatives.

**5. 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.

**6. Extension of Time Period of Commission Action**

Not applicable.

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

Not applicable.



**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-2010-17)

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Amendments to Rule A-3, on Membership on the Board

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“the Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 30, 2010, the Municipal Securities Rulemaking Board (“Board” or “MSRB”) filed with the Securities and Exchange Commission (“SEC” or “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 is filing with the SEC a proposed rule change consisting of amendments to Rule A-3, on membership on the Board, in order to establish a Nominating Committee in compliance with MSRB transitional Rule A-3(i).

The text of the proposed rule change is available on the MSRB’s website at [www.msrb.org/Rules-and-Interpretations/SEC-Filings/2010-Filings.aspx](http://www.msrb.org/Rules-and-Interpretations/SEC-Filings/2010-Filings.aspx), at the MSRB’s principal office, and at the Commission’s Public Reference Room.

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

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

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

proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Board 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 purpose of the proposed rule change is to make changes to MSRB Rule A-3(c) as are necessary and appropriate prior to the creation of the Nominating Committee of the MSRB (hereinafter, "Nominating and Governance Committee"). On September 30, 2010, the SEC approved MSRB Rule A-3(i), a transitional rule for MSRB fiscal year 2011 intended to implement the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) (the "Dodd-Frank Act").<sup>3</sup> The transitional rule provides that on or after October 1, 2010, and prior to the formation of the Nominating Committee for purposes of nominating Board members for fiscal year 2012, the Board will amend the provisions of Rule A-3(c) to (a) reflect the composition of the Board as provided under the Dodd-Frank Act, (b) assure that the Nominating Committee will be composed of a majority of public members and will have fair representation of broker-dealers, bank dealers, and municipal advisors, and (c) reflect such other considerations consistent with the provisions of Section 15B of the Act and the Dodd-Frank Act as the Board deems appropriate. The proposed rule change is intended to amend Rule A-3(c) to comply with the requirements of transitional Rule A-3(i), as approved by the SEC.

Amendments to Rule A-3(c)

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<sup>3</sup> See Exchange Act Release No. 63025 (Sep. 30, 2010), 75 FR 61806 (Oct. 6, 2010).

Consistent with Rule A-3(i), the Nominating and Governance Committee would consist of eleven members, six of whom would be public members and five of whom would be industry members. The Chair of the Committee would be a public member. Establishing an eleven member committee will allow for fair representation of regulated entities by reserving five positions for brokers, dealers, municipal securities dealers and municipal advisors.

Each constituency identified in the Dodd-Frank Act would be guaranteed a minimum of one seat on the Nominating and Governance Committee but the level of each constituency would be capped to avoid overweighting of any one over the others. These ranges of membership are as follows:

- six public members consisting of (a) at least one, but no more than three, representative of institutional or retail investors; (b) at least one, but no more than three, representative of municipal entities; (c) at least one, but no more than three, members of the public with knowledge of or experience in the municipal industry and not representative of investors or municipal entities;<sup>4</sup> and
- five regulated members, consisting of (a) at least one, but no more than two, representative of broker-dealers; (b) at least one, but no more than two, representative of bank dealers; and (c) at least one, but no more than two, representative of non-dealer municipal advisors.

The Board believes this formulation is consistent with the Dodd-Frank Act and Rule A-3(i) in that it provides for a majority of public members on the Committee and fair representation of regulated entities. The MSRB also believes it is important that the Chair of the Nominating

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<sup>4</sup> In order to ensure balance on the committee and reflect the breadth of public representatives on the Board, the proposal would require one to three committee members be selected from Board members who are not representative of municipal entities or investors.

and Governance Committee be a public member, both as a governance best practice and in recognition of the majority of public members on the Board, as mandated by the Dodd-Frank Act.

The Board also proposes certain administrative amendments to Rule A-3(c). First, the rule change provides that members may serve staggered terms, which are terms that do not commence and conclude on the same date thereby creating groups or classes of directors. The Board had been divided previously into three classes of five members per class. Each year, one class would conclude its service. In order to comply with the Dodd-Frank Act, the Board modified this structure to accommodate a 21 member Board. While the terms are staggered currently, the new group of 11 Board members is serving a two year transitional term, while the other members continue to serve three year terms. The Board is currently evaluating the appropriate term for new Board members, but expects that terms will continue to be staggered in order to relieve the burden on the Nominating and Governance Committee of replacing the entire Board in any one year and in order to ensure the continuity and consistency of the Board.

Next, the proposed rule change reflects that Board members may only serve consecutive terms under two scenarios: (a) by invitation from the Nominating and Governance Committee due to special circumstances as determined by the Board, such as where a Board member possesses special expertise needed by the Board that is not possessed by other Board members or generally by persons in the pool of potential candidates for Board membership; or (b) having filled a vacancy under Rule A-3(e) and, therefore, served only a partial term.

The Board also proposes revisions to Rule A-3(c) to provide that it will solicit nominations for Board membership in a financial journal having national circulation among members of the municipal securities industry, as well as a financial journal having general

national circulation. This change is proposed because potential public members and certain types of municipal advisors may not read municipal securities newspapers or periodicals regularly. Finally, the Board proposes changes to Rule A-3(c) to require the publishing on the Board's website of the names of all applicants for Board membership.<sup>5</sup> Such publication is intended to make the nominating process more transparent. Some commentators on the transitional Rule A-3 amendments made suggestions regarding improving transparency of the MSRB's election process, and the Board believes the practice of publishing the names of all Board applicants will provide more transparency regarding the nominating process.

## 2. Statutory Basis

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

establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of public representatives, broker dealer representatives, bank representatives, and advisor representatives.

The MSRB believes that the proposed rule change is consistent with Section 15B(b) of the Act, as amended by the Dodd-Frank Act, in that it would provide for the creation of an MSRB Nominating and Governance Committee that reflects the composition of the Board as provided under the Dodd-Frank Act and would assure that the Nominating and Governance Committee be composed of a majority of public members and have fair representation of broker-dealers, bank dealers, and municipal advisors, consistent with MSRB Rule A-3(i) as approved by the SEC.

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

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<sup>5</sup> In some cases, a person may be recommended to the MSRB for membership on the Board but he or she may not wish to be considered. Any person who declines to be considered would not be treated as an applicant and his or her name would not be published.

The Board 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 Act since it is solely concerned with the administration of the MSRB and, in any event, provides for fair representation on the Nominating and Governance Committee of public representatives, broker dealer representatives, bank dealer representatives and municipal advisor representatives.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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 Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<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-2010-17 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-MSRB-2010-17. 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the MSRB's offices. 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-2010-17 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).