
From: Joseph Lawless
Sent: Wednesday, April 13, 2011 11:53 AM
To: Comment Letters
Subject: MSRB Notice 2011-18

Sirs:

Another of the points that you request comment on are: should the rules for electronic trading systems that qualify as broker's brokers be different from voice brokers. The answer is no, as it may put them at a competitive advantage by doing so, and may also damage the customer. If some of these proposed rule changes take effect, it will make the process much more labor intensive than it is, be it checking if it is okay with the seller to have a clearly erroneous bidder "checked", or to have all the existing "good" bids be re-bid (for whatever reason). It's not only more labor intensive for the broker, but for every dealer that has to now work on this bid wanted item (again) when it was already bid. As many dealers are very busy already, this double work would be a clear inconvenience, putting a traditional voice broker at a competitive disadvantage to one that does nothing. Not to be overlooked is the duty to be fair: If human error causes a dealer to bid par \$100 electronically on a block of bonds worth \$20, a single trade could put a firm out of business. Also, from the bottom line customer standpoint, it isn't right for the issue to be treated differently simply because it is done over an electronic platform vis-a-vis voice.

Indeed, because if 15 minute reporting, it is my understanding that electronic platforms follow up an electronic trade with a phone call making it, at least somewhat, a hybrid platform. Many current "voice" brokers accept bids electronically now, making them also somewhat of a hybrid platform. These electronically received bids are sometimes erroneously received and would need to be addressed. If there were two sets of rules, where would such brokers fall?

As you can see, what is good for one, has to be good for all from the viewpoint of the broker, dealer, and customer. The MSRB has taken many steps to protect the retail consumer over the past several years and the industry applauds many of those efforts. What needs to be done now is not overstep so that rules are draconian, favor one type of broker over another, or put one customer at a disadvantage over another.

Thank you.

Joseph M. Lawless, President
Sentinel Brokers Company, Inc.
516-541-9100