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MEMBER SIPC AND NASD

April 15, 2011

Re: Response to MSRB Notice 2011-18 – Requests for Comments on MSRB Guidance on Municipal Securities Broker's Brokers.

We are Bond Dealers; nonetheless we would like to voice the following concerns regarding the new rules you are proposing to impose on the Broker's Brokers.

G-43(c)(vi) We consider the rule that allows a market to be based on mistakes to be totally inappropriate. Based on that logic, if a mistake allows a bond to sell 10 points too high, that means that if the mistake is 10 points too low that should also be allowed.

Consider an instance where an MSRB Board Member has work done on his home that costs \$1,500 but he inadvertently makes out the check for \$15,000. Using your own logic he should be held to the \$15,000 expense unless the contractor lets him off the hook.

G-43(a)(iv) In a free market, the high bid is the best price at the time. If the selling dealer doesn't realize that a bid is too low, he is incompetent. On the other hand, if he wishes to sell on a bid that appears too low, he might be doing so based on consideration of the direction of the market. We have no idea why you are putting the responsibility of evaluating bid levels on Broker's Brokers when it should not be their responsibility.

Requiring written instruction will be much too time consuming to be effective. It will reduce the overall number of bids and also the liquidity and depth of the market. Therefore, it will actually hurt the public you are trying to protect.

Every Broker's Broker would be negatively affected by this proposed rule and more importantly, the public will also be negatively impacted due to a much less efficient market.

On behalf of Stoever Glass & Co., Inc.

Frederick J. Stoever
President