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SECURITIES AND EXCHANGE COMMISSION
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October 3, 2013

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change Consisting of Amendments to MSRB Rule G-11, on Primary Offering Practices, Relating to Changes in a Bond Authorizing Document

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")[1] and Rule 19b-4 thereunder,[2] notice is hereby given that, on September 19, 2013, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "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 Commission a proposed rule change consisting of amendments to MSRB Rule G-11, on primary offering practices (the "proposed rule change"). The MSRB requests an effective date for the proposed rule change of 60 days following the date of SEC approval.

The text of the proposed rule change is available on the MSRB's website at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2013-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

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 proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB 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 proposed rule change would amend MSRB Rule G-11 to prohibit, with carefully defined exceptions, brokers, dealers and municipal securities dealers ("dealers") from providing consents to changes in a bond authorizing document, such as trust indentures and bond resolutions ("authorizing document" or "bond authorizing document"). The proposed rule change would enhance protections for existing owners of bonds ("owners" or "bond owners") from changes to authorizing documents consented to by a dealer in lieu of bond owners by prescriptively prohibiting such consents in certain circumstances.

BACKGROUND

Amendments to authorizing documents are often requested by municipal entity issuers ("issuers") or bond owners to modernize outdated provisions or to address operational or other concerns that have arisen after the initial issuance of bonds. Such amendments are typically achieved by the vote of owners of a specified percentage of the aggregate principal amount of bonds, as determined by the authorizing document. The

principal amount necessary usually will vary, depending upon the type of amendments sought.

The process of obtaining consents from bond owners and related costs can be significant. Since many municipal securities are issued in book-entry form and registered as a single "global" certificate in the name of a depository, the identity of beneficial owners of the bonds is frequently unknown to issuers and trustees. Identifying such owners and obtaining consents requires an extensive process of inquiry through layers of nominee ownership and often results in cost and delay in achieving the requisite number of consents.

To address some of these burdens, issuers frequently have requested underwriters, as temporary owners of bonds during the initial distribution period and representing the aggregate principal amount of bonds underwritten, to provide consents to changes to authorizing documents. This alternative allows issuers to avoid the potential cost and delay of obtaining consents from beneficial owners by direct solicitation.

Although this lessens the burdens on issuers, the MSRB is concerned about the practice of having a dealer, acting as an underwriter or in some cases a remarketing agent, consent to changes in authorizing documents that adversely affect the interests of existing bond owners. The MSRB believes that while existing bond owners may be considered as having agreed to provisions relating to amendments to the authorizing documents at the time of purchase, such owners are not likely to have contemplated that a dealer, acting as an underwriter or remarketing agent with no prior or future long-term economic interest in the bonds could provide such consent unless such ability had been specifically authorized in the authorizing documents and disclosed to bond owners.

The MSRB believes that the proposed rule change will protect investors and balance the concerns of issuers about the cost and efficiency of obtaining consents to their authorizing documents. The proposed rule change does not grant an affirmative right to dealers to provide consents, and does not alter the dealer's obligations applicable under other MSRB rules, including its fair dealing obligations under Rule G-17. Rather, the proposed rule change will limit the circumstances under which a dealer may provide consents at the request of an issuer to amendments to bond authorizing documents within the context of the dealer's fair dealing obligations.

Requests for comment. The MSRB published a series of requests for comment concerning the practice of dealers providing consents to changes to authorizing documents. The first request for comment[3] concerned the application of MSRB Rule G-17 to the provision of bond owner consents by underwriters of municipal securities ("Draft G-17 Notice"). The Draft G-17 Notice would have provided that, where a proposed amendment reduced the security for existing bond owners, the provision of consents by underwriters would be a violation of their Rule G-17 duty of fair dealing unless: (i) the authorizing document expressly provided that bond owner consents could be provided by an underwriter and (ii) the offering documents for the existing securities expressly disclosed that bond owner consents could be provided by underwriters of other securities issued under the authorizing document. The MSRB believed that while existing bond owners typically were aware of the consent provisions in authorizing documents, they would not have contemplated (without such express disclosure) that an owner with no prior or future long-term economic interest in the bonds, such as an

[3] MSRB Notice 2012-04 (February 7, 2012).

underwriter or a remarketing agent, could provide a bond owner's consent and thereby affect the security for existing bond owners.

The MSRB received 10 comment letters on the Draft G-17 Notice, discussed in more detail in Part 5 below. Commenters said, among other things, that restricting the use of underwriters to provide consents could result in potential cost and inefficiency to issuers when seeking to modernize outdated provisions in their authorizing documents. Commenters also said that identifying a "reduction in security" could be difficult and could result in varying interpretations, depending on the underwriter or the issuer, and also could lead to unintended consequences by prohibiting amendments that, while technically could be considered a reduction in security, were nevertheless seen by bond owners as being in their long-term best interest.[4]

The MSRB acknowledged the issues raised by commenters in response to the Draft G-17 Notice but remained concerned about protecting the rights of existing bond owners that could be materially affected by amendments consented to by a party that had no prior or future long-term economic interest in the bonds. The MSRB also recognized

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[4] See undated letter from the Michael J. Smith, Assistant Treasurer, Los Angeles County Metropolitan Transportation Authority, to Ronald W. Smith, Corporate Secretary, Municipal Securities Rulemaking Board. Another commenter argued that there could be a technical reduction in security even though the overall financial strength of the issuer could be improved by such action (see Comments of Haynsworth Sinkler Boyd, P.A. Regarding Draft Interpretation of MSRB Rule G-17 Restricting Underwriter Consents to Amendments to Outstanding Security Documents dated March 5, 2012 from Kathleen Crum McKinney and Theodore B. DuBose). Examples of technical reductions in security noted in this comment letter included the release of real estate securing the bonds to implement projects expected to result in increased tax benefits or revenue to the issuer, or amendments relating to the funding of debt service reserve funds with cash or credit facilities. Depending upon facts and circumstances, an underwriter or an issuer could view a short-term reduction in security as a long-term benefit for the bond owners.

the need for greater clarity in identifying the particular types of consents and circumstances under which dealers may not provide such consents. Moreover, because the formulation of Draft Rule G-17, as well as some comments suggested that the provisions of Draft G-17 Notice could be read to waive a dealer's fair dealing obligations under certain circumstances, the MSRB ultimately determined that such issues would be more effectively addressed as an amendment to MSRB Rule G-11. By including the proposed rule change as an amendment to Rule G-11, the MSRB intends to clarify that the proposed rule does not eliminate the obligation of a dealer under Rule G-17, when considering requests from an issuer to consent to changes to an authorizing document, and a dealer, in such circumstances, would also be required to consider whether such action is consistent with its duties of fair dealing.

The MSRB subsequently published two additional requests for comment proposing amendments to MSRB Rule G-11 ("G-11 Amendments"). The G-11 Amendments would limit the ability of dealers to provide consents to changes in authorizing documents except in specified circumstances. The first request for comment[5] proposed amending Rule G-11 by adding new section (k) (now proposed section (l)) to the rule. The second request[6] proposed adding two further exceptions. The G-11 Amendments and the comments to both requests for comment are discussed collectively below in Part 5.

SUMMARY OF PROPOSED RULE CHANGE

The G-11 Amendments would prohibit a dealer from providing consent to any amendment to authorizing documents for municipal securities, either as an underwriter, a

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[5] MSRB Notice 2012-36 (July 5, 2012).

[6] MSRB Notice 2012-58 (November 21, 2012).

remarketing agent, an agent for owners, or in lieu of owners, except that this particular prohibition would not apply in the limited circumstances set forth in proposed section (l) of Rule G-11.

Proposed subparagraph (l)(i)(A) would except from the prohibition a dealer, acting as an underwriter, that provides bond owner consents to changes in authorizing documents if such documents expressly allowed an underwriter to provide such consents and the offering documents for the issuer's existing securities expressly disclosed that consents could be provided by underwriters of other securities issued under the same authorizing documents. This provision acknowledges the types of provisions currently included in some issuers' authorizing documents that specifically allow underwriters to provide bond owner consents. Without including this exception, the proposed rule change could be read to limit the ability of issuers to recognize the benefits and flexibility of the provisions in their own authorizing documents where otherwise permissible.

Proposed subparagraph (l)(i)(B) would except from the prohibition a dealer that owns the relevant securities other than in the capacity of an underwriter or a remarketing agent. This provision acknowledges the rights of dealers as owners of securities and avoids any unintended derogation of a dealer's rights as owner. Whether a dealer owns the securities for the purposes of the proposed rule change will depend on whether it purchased such securities without a view to distribution.

Proposed subparagraph (l)(i)(C) would except a dealer acting as a remarketing agent to whom the relevant securities had been tendered as a result of a mandatory tender, provided that all securities affected by the amendment (other than securities retained by an owner in lieu of a tender and for which such bond owner had delivered consent) had

been tendered. If a bond owner elected to exercise its right to "hold" bonds subject to a mandatory tender in lieu of tendering, the remarketing agent would be prohibited from providing consents to any amendment to an authorizing document unless it also received the specific written consent of such bond owner to such change.

Proposed subparagraph (l)(i)(D) would except an underwriter that provides an "omnibus" consent to changes to authorizing documents solely as agent for and on behalf of bond owners that delivered separate written consents to such amendments. An underwriter providing an "omnibus" consent under this subparagraph would not be viewed as substituting its judgment for that of bond owners, but rather as an agent facilitating the collection and delivery of consents. This exception would benefit the issuer and the existing bond owners in that the underwriter, in tabulating consents to support its "omnibus" consent, would be required to authenticate ownership and requisite corporate authority of the purchaser of bonds to provide a consent, thereby reducing the burden on the issuer and its trustee of such duty.

Proposed subparagraph (l)(i)(E) would except an underwriter that provides consent on behalf of prospective purchasers to amendments to authorizing documents if the amendments would not become effective until all existing bond owners (other than the prospective purchasers for whom the underwriter had provided consent) had also consented.[7]

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[7] This exception recognizes a limited circumstance in which an underwriter's consent to amendments to authorizing documents, provided in lieu and on behalf of new purchasers of bonds, would be permitted. In this case, the underwriter's consent would not become effective until existing owners of all bonds (other than the prospective purchasers for whom the underwriter had provided consent) affected by such amendment and outstanding at the time such consent became effective had also provided consent. As a practical matter, this alternative might

Proposed paragraph (l)(ii) would define certain terms for purposes of proposed section (l), specifically the terms "authorizing document," "bond owner," and "bond owner consent."

Consents not affected by the G-11 Amendments. Consents from dealers solely in their capacity as an underwriter or a remarking agent and required or permitted in connection with their administrative duties under authorizing documents would not be subject to the proposed rule change. For example, if an authorizing document provided that a dealer, in its role as remarketing agent, was required to consent to a change relating to the manner or timing for tendering bonds prior to such provision becoming effective, the dealer serving as remarketing agent would not be prohibited by the G-11 Amendments from providing such consent. However, if the authorizing document also required consent from bond owners to such change, the remarketing agent would be prohibited under the Rule G-11 Amendments from providing consent on behalf of bond owners unless it came within an exception.[8]

The G-11 Amendments would not affect other methods used by issuers to obtain consents from owners of newly issued bonds, such as consents received from bond owners upon initial purchase of the bonds. However, the G-11 Amendments would

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be considered when an issuer was in the process of accumulating consents from all owners of outstanding bonds and had not completed acquiring the consents prior to issuing a new series of bonds. In that case, an underwriter's consent on behalf of new purchasers would not become effective until all other bond owners affected by the amendment had also provided their consent, and such other consents were currently effective. This exception would not affect an underwriter's ability to provide consents as permitted in subparagraph (l)(i)(D) of the proposed rule change.

[8] A dealer would be required, however, to consider whether such action is consistent with its duties of fair dealing.

prohibit the dealer from providing any consent for or in lieu of bond owners except as provided by the proposed rule change.

Application of MSRB Rule G-17. The proposed rule change is designed to ensure that consents obtained from dealers when acting as an underwriter or remarketing agent are obtained in a fair manner. As noted above, the proposed rule change would not grant an affirmative right to dealers to provide consents to changes to authorizing documents, but rather would prohibit such consents subject to limited exceptions. As such, it would not alter or supplant the dealer's obligations applicable under other MSRB rules, including its fair dealing obligations under Rule G-17.[9] As with other rules of the MSRB, both prescriptive and principles based, dealers are required to observe the duty of fair dealing to all persons, even in the absence of fraud and compliance with the specific provisions of any rule does not limit this duty.

Given the limited circumstances in the proposed rule change in which a dealer may provide consent to changes to authorizing documents, the MSRB does not consider

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[9] The proposed rule change and the concurrent application of Rule G-17 will address the possible conflicts of interest on the part of a dealer when consenting to changes at the request of an issuer. A conflict of interest may arise when a dealer, with a financial interest in completing the transaction, is asked by an issuer to consent to changes in its authorizing documents that may adversely affect existing bond owners. In this case, the interest of the dealer may be in conflict with the dealer's duty of fair dealing to all persons in connection with the conduct of its municipal securities business. This duty extends to all persons, not just to those with whom a dealer is transacting business (see Notice of Filing of Fair Practice Rules, Municipal Securities Rulemaking Board Manual (CCH 1977–1987 Transfer Binder, ¶10,030, September 20, 1977), and Notice of Approval of Fair Practice Rules, Municipal Securities Rulemaking Board Manual (CCH 1977-1987 Transfer Binder, ¶10,090, October 24, 1978). By limiting the circumstances under which a dealer could provide consent to narrowly defined exceptions that also require a continuing consideration of and compliance with its G-17 obligations, the proposed rule change will aid the dealer in managing any potential conflict that may arise in this context.

it necessary at this time to provide guidance describing the application of Rule G-17 to particular instances. It may, upon evidence of potential violations of Rule G-17 in the context of the proposed rule change, consider more explicit guidance concerning the application of Rule G-17 to the proposed rule change.

2. Statutory Basis

The MSRB believes The MSRB believes [sic] that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,[10] which provides that the MSRB's rules shall:

> be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The MSRB believes that the proposed rule change is consistent with the Act. Protecting investors is a key component of the Act and its protections apply equally to existing bond owners and new purchasers of municipal securities. The proposed rule change will protect investors by prohibiting consents from a dealer that does not share a

[10] 15 U.S.C. 78o-4(b)(2)(C).

bond owner's prior or long-term economic interest in the bonds, except under carefully prescribed circumstances. As described above, the proposed rule change will protect the expectation of investors that amendments would be affected in compliance with the terms of the authorizing documents or, in certain instances, with the specific consent by owners having comparable long-term economic interests in the bonds.

The MSRB believes that the protections afforded investors by the proposed rule change will also aid in perfecting the mechanism of an open market by improving investor confidence in the process of amending authorizing documents and making such process more transparent.

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

The MSRB 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.

In the first request for comment on the G-11 Amendments, the MSRB solicited comments on, among other topics, the potential benefits and burdens of and alternatives to the proposed rule change. On these points, the MSRB asked:

- Would the Draft Rule G-11 Amendment help to protect investors, and are there other benefits that would be realized from adopting the Draft Rule G-11 Amendment?
- Would the Draft Rule G-11 Amendment have any negative effects on issuers, investors or other market participants?
- Are issuers able to obtain consents from beneficial holders of bonds effectively and efficiently through existing mechanisms?

- What would be the burdens on issuers or other market participants of adopting a rule that limits obtaining bond owner consents in the manner contemplated by the Draft Rule G-11 Amendment?
- Are there alternative methods the MSRB should consider to providing the protections sought under the Draft Rule G-11 Amendment that would be more effective and/or less burdensome, resulting in an appropriate balance between the need for a cost effective and efficient manner of obtaining consents and the duty of dealers under Rule G-17 to deal fairly with all persons?

Potential burdens of the proposed rule change. The specific comments and responses received on the request for comment are discussed in Part 5. The commenters addressing the question of burdens arising from the G-11 Amendments cited the potential cost and delay in effecting amendments by limiting the ability of underwriters to provide consents, and noted that as a result both investors and issuers would be precluded from realizing the benefits of the G-11 Amendments. Another cited a possible burden on issuers because of the lack of clarity concerning the question of which party would bear the cost of obtaining consents. Others noted the lack of cost effective alternatives.

In proposing the G-11 Amendments and the resulting proposed rule change, the MSRB recognized a potential burden on issuers if they were limited in their ability to request consents from underwriters and remarketing agents to changes they believed were necessary to modernize their authorizing documents. The MSRB recognized that issuers may incur additional costs when preparing authorization and disclosure provisions for the authorizing and offering documents, or if required to increase efforts to remarket bonds with amended features following a mandatory tender of bonds. Other costs may be

associated with the provisions of the proposed rule change affecting an issuer's options when accumulating consents over time, requiring it or its trustee to maintain records of outstanding bond owners and related consents. However, since maintaining these records is currently required under an authorizing document, costs associated with this alternative, if chosen by an issuer, should not impose an additional burden.

The proposed rule change also may impose burdens on dealers by: (i) requiring a remarketing agent to obtain written consents from bond owners that elect to "hold" in lieu of tendering their bonds in a mandatory tender and (ii) requiring an underwriter to obtain consents from new purchasers at the time of purchase. In both cases, the proposed rule change may require the remarketing agent or underwriter, as the case may be, to obtain consents from appropriately authorized representatives of the new purchasers which may require identifying persons other than those placing the purchase order with the underwriter or remarketing agent.

The MSRB 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. The MSRB believes that the proposed rule change protects existing bond owners while addressing the concerns raised by commenters by providing a range of potential options to allow issuers to obtain bond owner consents from dealers. The proposed rule change and any resulting burden, are appropriate in furtherance of the purposes of the Act.

Expected benefits of the proposed rule change. The proposed rule change is expected to protect investors by prohibiting consents to changes to authorizing documents by parties with no long-term economic interest in the bonds, except in

specified circumstances. The proposed rule change is also expected to provide a benefit to issuers and dealers because it will provide clarity about the practice of obtaining bond owner consents from dealers to changes in the authorizing documents, and will provide issuers with a range of potential alternatives to obtain bond owner consents without the anticipated delay and cost of a direct solicitation of existing bond owners.

Potential alternatives to proposed rule change. The MSRB considered various alternatives to address the issue of dealers providing consents in lieu of bond owners to changes in authorizing documents. The MSRB first considered relying solely on the fair dealing component of Rule G-17, but believed that without interpretive guidance, this alternative would not be likely to result in any change in the behavior of dealers. The MSRB next considered the alternative presented in the G-17 Notice, which provided that an underwriter would be in violation of Rule G-17 if it consented to changes that would result in a "reduction in security" unless the authorizing documents allowed an underwriter to provide consent and the practice was disclosed in the related offering document. Some commenters to the G-17 Notice were concerned about the lack of a definition of a "reduction in security" and, given the range of possible interpretations, their ability to comply with the provision. Further, the MSRB recognized that the G-17 Notice limited the violation to a "reduction in security" and did not address consents by dealers to other types of amendments. The MSRB believes that the proposed rule change simplifies matters by prohibiting the practice entirely except in narrowly defined circumstances. While a dealer continues to be obligated to consider and comply with its Rule G-17 obligations in the context of the exceptions, the circumstances are limited and the Rule G-17 considerations are not limited to a "reduction in security."

As another alternative, the MSRB could retain the prohibition in the proposed rule change and reduce or eliminate entirely the exceptions. The MSRB does not consider this approach to be in the best interest of investors or issuers, since issuers will be precluded from adopting amendments necessary to modernize their authorizing documents except by direct solicitation of bond owners. Also, issuers whose authorizing documents already included provisions allowing underwriters to consent to amendments will not be able to rely on those provisions. Investors might also be precluded from realizing the benefits of modernized documents. The MSRB believes that the exceptions noted in the proposed rule change will provide dealers a range of potential options to provide the necessary consents while recognizing the concerns of both issuers and existing bond owners.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

As noted above, the proposed rule change was informed by comments received from market participants to the Draft G-17 Notice and the G-11 Amendments. The MSRB received 10 comment letters to the Draft G-17 Notice,[11] and 11 comment letters to the G-11 Amendments. While the G-11 Amendments adopted a different approach to addressing the issue of dealers providing bond owner consents to amendments to authorizing documents, many of the comments received in response to the Draft G-17 Notice influenced the drafting of the proposed rule change and are discussed below.

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[11] Comment letters were received from: BondView.com ("BondView"); Government Finance Officers Association ("GFOA"); Haynsworth Sinkler Boyd, P.A. ("Haynsworth"); Ice Miller LLP ("Ice Miller"); Indiana Housing & Community Development Authority ("IHCDA"); Indianapolis Airport Authority ("IAA"); Los Angeles County Metropolitan Transportation Authority ("MTA"); National Association of Bond Lawyers ("NABL"); National Federation of Municipal Analysts ("NFMA"); and Squire Sanders LLP ("Squire Sanders").

DISCUSSION OF COMMENTS

Support for the Draft G-17 Notice

Comment. BondView and NFMA supported the Draft G-17 Notice. BondView commended the leadership of the MSRB on improving market transparency because retail investors do not have the same tools as institutional investors. NFMA said that it supported the Draft G-17 Notice because it attempts to prevent consents by underwriters that diminish security for bond owners. It noted that prospective purchasers have the choice whether to purchase the bonds with the amended security features and existing bond owners do not have this choice.

MSRB Response. The MSRB believes that the G-11 Amendments similarly will improve market transparency and enhance protections for existing bond owners.

Draft G-17 Notice too broad; may have unintended consequences

Comment. Some commenters said that the Draft G-17 Notice was too broad, and may have unintended consequences that would harm investors.[12] GFOA said that the Draft G-17 Notice would prohibit amendments that would be beneficial to both bond owners and issuers, and Haynsworth and MTA said that it would preclude amendments where there was a technical reduction in security but the financial strength of the enterprise was likely to be enhanced. Haynsworth said that the Draft G-17 Notice would create an ambiguity because it failed to take into account consideration of the entire credit analysis and looked at the "reduction in security" in isolation. NFMA said that while some changes to authorizing documents might not seem immediately important, if the credit were to deteriorate, the impact of the change may increase. MTA said that the

[12] GFOA, Haynsworth, Ice Miller, IHCDA, IAA and MTA.

facts and circumstances in day-to-day transactions were too complex and varied to resolve through an interpretive statement to Rule G-17.

Comment. Ice Miller, IHCDA and IAA suggested that the Draft G-17 Notice be narrowly drafted to address specific problems, and GFOA suggested that the Draft G-17 Notice include examples of acceptable and unacceptable practices. Ice Miller, IHCDA and IAA suggested that the Draft G-17 Notice address only amendments where the fundamental security for the bonds was deleted, released or substantially reduced, and that it include a definition of a reduction in fundamental security, or define a security that could not be changed or reduced.

MSRB Response. The MSRB believes that the proposed rule change will address a number of these issues. The proposed rule change does not specify a reduction in security as a factor to be included when considering a proposed amendment to an authorizing document. Rather, the revised approach prohibits dealers from providing consent to any proposed amendment to an authorizing document, irrespective of the type of amendment, except in specified instances and in the context of a dealer's fair dealing obligations. Thus, while a "reduction in security" and its short- and long-term implications may be part of a dealer's fair dealing analysis, it may not be the sole factor in its analysis.

Terms of governing instruments should control; prior bond owners consented to amendment provisions

Comment. Various commenters said that to the extent the terms of the authorizing documents included provisions for amendments, existing bond owners had agreed to such provisions and those provisions should control. NABL said that the

provisions of authorizing documents allowing an issuer to rely on consents from any bond owner to amend its authorizing documents are not limited by the length of time the bond owner has owned the bonds. This commenter and others said that the Draft G-17 Notice implied that the consents were being obtained unfairly, even though the consents were obtained in accordance with the authorizing documents and state law.[13] NABL said that, where purchasers had not bargained for certain protections, the MSRB should not be adding such protections to the business terms of transactions.

Comment. NABL said that the Draft G-17 Notice could adversely affect issuers and obligated persons and impair their rights under existing bond documents. This commenter also said that the scope of the Draft G-17 Notice could be read to cause an underwriter to breach a Rule G-17 duty if it participated in a new transaction that may be adverse to bond owners but permitted under the bond documents.

MSRB Response. The MSRB believes that the proposed rule change will address many of these issues. The proposed rule change does not alter an issuer's contractual right to request an underwriter to consent to changes to an authorizing document. The proposed rule change addresses the ability of an underwriter to provide consents under limited circumstances. The proposed rule change does not waive a dealer's fair dealing obligation when considering such request. The MSRB believes that the proposed rule change, articulated, as with other MSRB rules, as a prohibition with specified exceptions, will clarify the permitted behavior without interfering with the application of Rule G-17, which applies to all of a dealer's municipal securities activities.

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[13] NABL, Ice Miller, IHCDA and IAA.

Draft G-17 Notice would interfere with an issuer's ability to modernize indentures and obtain consents in an efficient manner

Comment. Ice Miller, IHCDA and IAA said that issuers should be able to modernize their indentures and amend other authorizing documents in an efficient manner, and that having an underwriter provide consents to amendments was an efficient way to accomplish this goal. These commenters also said that an underwriter is only facilitating the issuer's and new bond owners' ability to exercise a right to which they were entitled, and the Draft G-17 Notice would interfere with that process. NABL said that issuers should be able to obtain consents in accordance with their bargained-for rights under their authorizing documents and state law, and should not be forced to pursue a lengthier and costly process.

Comment. NFMA said that it recognized that issuers have a legitimate need to update and modernize their authorizing documents and that it understood the difficulty in obtaining consent of a majority of bond owners. It suggested that more detail and guidance be provided to help define acceptable thresholds for changes to authorizing documents. GFOA also suggested providing more examples of acceptable and unacceptable practices in obtaining bond owner consents through underwriters.

Comment. GFOA, Ice Miller, IHCDA and IAA noted the expense and difficulty of locating and obtaining consents from bond owners because most bonds are held in a book entry system.

MSRB Response. The MSRB recognizes the need of issuers to modernize their authorizing documents and the difficulty of obtaining consents when bonds are held in a book-entry system. As noted above, the G-11 Amendments would not alter the issuer's

contractual right to request consent from an underwriter to changes to an authorizing document. The G-11 Amendments would prohibit a dealer's ability to provide consents to changes in authorizing documents except under specified circumstances. The MSRB believes that the proposed rule change will achieve an appropriate balance between the interests of issuers to amend their authorizing documents in a timely and efficient manner and the obligations of an underwriter or dealer, including its fair dealing obligations, when asked to provide such consent.

Obtaining consents from underwriters is an accepted practice

Comment. NABL and Squire Sanders said that the practice of underwriters consenting to amendments as initial bond owners was a long standing practice, and Ice Miller, IHCDA and IAA said that there had been no significant resistance to the practice on the part of existing bond owners. NABL noted that in such cases the new bonds were issued with full disclosure of the amendment process, and that any requisite filings had been made under SEC Rule 15c2-12. Ice Miller, IHCDA and IAA said that they were unaware of any ratings decline or other controversies that had resulted from this practice and that the Draft G-17 Notice may have the effect of questioning the validity of prior votes or the long standing practice of obtaining underwriter consents.

MSRB Response. Protecting investors is a key component of the Act and applies equally to existing bond owners and new purchasers of municipal securities. The MSRB believes that amendments to authorizing documents by those that do not share existing bond owners' long-term economic interests, except in specified circumstances, generally are not consistent with the Act, irrespective of prior practice. The MSRB also recognizes that, while limiting the practice may result in added costs and other consequences to

issuers, the proposed rule change, as noted above, allows issuers a range of potential cost-effective options and will achieve an appropriate balance, for purposes of Rule G-11, between the rights of existing bond owners and the interests of issuers to amend their authorizing documents in a timely and efficient manner.

DTC process

Comment. Various commenters noted that the process of verifying bond ownership through DTC, as well as effectively explaining proposed amendments to existing bond owners, was difficult and that there was no simple way to confirm the beneficial ownership or to communicate with beneficial owners except at the time of purchase.[14] NABL suggested that some changes be made to the DTC process to improve consent solicitations, such as a solicitation process similar to the one used for corporate securities.

MSRB Response. The MSRB recognizes that the process used by DTC might benefit from streamlining, but notes that it is not in a position to amend the DTC process.[15] The MSRB believes that the proposed rule change will provide issuers a range of potential options to obtain consents other than by a direct solicitation of bond owners and the proposed rule change will not foreclose future collaboration with issuers and DTC on ways to create a more effective process.

Underwriters do not owe a duty under Rule G-17 to existing bond owners

Comment. Ice Miller, IHCDA and IAA said that an underwriter did not owe a duty under Rule G-17 to prior bond owners because it was not dealing with those bond

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[14] Squire Sanders, Ice Miller, IHCDA and IAA.

[15] The MSRB notes that explaining amendments to authorizing documents to existing bond owners should not be more difficult than explaining the same provisions to new bond owners.

owners within the meaning of Rule G-17. These commenters said that an underwriter owed a duty of fair dealing only to new bond owners. NABL said that an issuer did not owe a duty to owners of its bonds under state law except to comply with the terms of the authorizing documents. Further, this commenter said that the Draft G-17 Notice was inconsistent with the parties' ability to freely negotiate benefits and protections.

MSRB Response. MSRB Rule G-17 on fair dealing applies to dealers in the conduct of their municipal securities business when dealing with all persons and is not limited in the manner suggested by some of the commenters. Further, as noted above, the MSRB does not believe the Draft G-17 Notice was inconsistent with the parties' rights to negotiate protections since it only limited the exercise of certain rights by other parties, such as underwriters, not bond owners. The proposed rule change similarly will address the duties only of dealers and not other market participants under Rule G-11 and will provide a range of potential options allowing issuers to amend authorizing documents. The proposed rule change would not alter a dealer's fair dealing obligations in connection with these activities.

Suggested alternatives

Comment. NABL suggested that, because of the material adverse impact on issuers of the Draft G-17 Notice, comments should be conducted under a rulemaking process so that market participants and other affected parties would have a better opportunity to review the issues and bring their concerns to the MSRB and the SEC. Squire Sanders suggested alternative language to the Draft G-17 Notice.[16]

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[16] Squire Sanders suggested the following language:

> It would not be a violation of Rule G-17 for an underwriter to consent to amendments to an authorizing document that would reduce the

MSRB Response. The proposed rule change is part of a rulemaking process that provides extensive opportunity for review and public comment. Indeed, the MSRB solicited comments three times in developing the proposed rule change. With respect to the alternative language proposed by a commenter, the MSRB notes that this language would serve only as notice to new purchasers and would not protect existing bond owners.

Disclosure of ability of underwriter to consent to amendments

Comment. BondView suggested that the ability of an underwriter to consent to a material dilution of a security should be prominently displayed and explicitly stated in the official statement or preliminary official statement in the risk section and, if possible, in a separate section. This commenter also said that the existence of the process should be made known by any bond salesperson to any prospective purchaser prior to purchase. Ice Miller, IHCDA and IAA noted that the placement of disclosure of the ability of underwriters to consent to changes needs to be consistent across industry practice.

MSRB Response. The MSRB does not disagree with the suggestions from these commenters, but does not believe that the suggestions are, by themselves, sufficient to address concerns of existing holders about consents provided by dealers with no prior or future long-term economic interest in the bonds. For that reason, subparagraph (l)(i)(A)

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security for existing bondholders if the underwriter is giving consent as to newly issued bonds it is purchasing and the offering document for the new bonds (1) clearly describes the proposed amendments in the manner required by the authorizing document, and (2) conspicuously indicates that, by their purchase of the new bonds, the buyers are deemed to have given their consent to the amendments and to have directed and authorized the underwriter to execute, on their behalf, any written consent to the amendments that is required by the authorizing documents.

of the proposed rule change would require not only explicit disclosure in an offering document of the ability of an underwriter to provide consent to changes in an authorizing document, but would also require specific authorization in the bond authorizing document for such underwriter's consent. In addition, and as noted above, a dealer would also have to consider whether a proposed change under these circumstances would be consistent with its fair dealing obligations.

G-11 AMENDMENTS

As noted above, the MSRB published two additional requests for comment on proposed amendments to MSRB Rule G-11 concerning a dealer's ability to provide consents to amendments to authorizing documents. The MSRB received 11 comment letters[17] to the first and second requests for comment on the G-11 Amendments. The commenters' responses are addressed below.

Support for the proposed rule change

Comment. Various commenters supported the proposed rule change[18] and others generally opposed it or expressed reservations.[19] ICI said that limiting the practice of underwriters providing consent to changes in authorizing documents would result in

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17 Comment letters to the first request for comment concerning the G-11 amendments were received from: Investment Company Institute ("ICI"); Municipal Electric Authority of Georgia ("MEAG"); National Association of Independent Public Finance Advisors ("NAIPFA"); National Federation of Municipal Analysts ("NFMA"); New York City Municipal Water Finance Authority ("NY Water"); Nuveen Asset Management ("Nuveen"); Rhode Island Health and Educational Building Corporation ("RI"); Securities Industry and Financial Markets Association ("SIFMA"); and Standish Mellon Asset Management ("Standish Mellon"). NAIPFA and MEAG also submitted comments to the second request for comment concerning the G-11 Amendments.

18 ICI, NAIPFA, NFMA, Nuveen, RI, and Standish Mellon.

19 MEAG, NY Water and SIFMA.

greater protection for the interests of existing bonds owners. Standish Mellon said that underwriters do not necessarily share the interests of investors about the legal provisions of municipal bond issues. Nuveen said allowing underwriters to consent to changes violated a sense of fairness since they have no continued financial interest in the securities being affected.

Comment. RI said that the practice of underwriters providing consent may be unfair and deceptive and that there was no need for the underwriter to perform any role in giving consent. NFMA said that the practice of underwriters obtaining consents is unfair because it is exercising a right not explicitly contemplated by existing bond owners.

MSRB Response. The MSRB believes that the proposed rule change achieves a balance between the needs of issuers to effect changes to their authorizing documents in an efficient and cost effective manner, and the interests of existing bond owners to be able to have a voice in the amendment process. The proposed rule change will limit the ability of dealers to provide consents except in specified circumstances and will provide a range of potential options to issuers to obtain consents.

Underwriters providing consents is a long standing practice; alternatives costly

Comment. MEAG said that obtaining underwriter consents is a long standing and common practice in the municipal securities market and there are no other reasonable and cost-effective alternatives. This commenter also said that, without the ability of an underwriter (as an initial owner of new bonds) to consent to changes, some amendments to authorizing documents would be delayed or would force an issuer to undertake a costly and time consuming general consent solicitation.

MSRB Response. As noted above, the proposed rule change does not alter an issuer's contractual right to request an underwriter to consent to changes to an authorizing document. The proposed rule change permits such consents under specified conditions, assuming that such consent is consistent with an underwriter's fair dealing obligation. The MSRB believes that this range of potential options will address issuers' concerns about cost and delay in obtaining consents.

G-11 Amendments would impose additional contractual obligations

Comment. MEAG said that the procedure for amending an authorizing document is a matter of state law and the terms of the document. This commenter also noted that proposed paragraph (k)(iii) (now proposed subparagraph (l)(i)(E)) was too onerous, and that to require all bond owners that would be affected by an amendment to consent would have the effect of changing the contractual arrangements of the authorizing documents and would be costly and labor intensive.

Comment. SIFMA said that, even if the authorizing documents and the disclosure documents expressly permitted bond owner consents to be provided by underwriters, the proposed rule now bars this type of consent and suggested that such change would be overreaching beyond the bounds of investor protection. SIFMA suggested that certain provisions in the Draft G-17 Notice be re-introduced, namely the provision that allowed an underwriter to provide consent if the authorizing documents explicitly allowed such consent.

MSRB Response. The MSRB notes that subparagraph (l)(i)(E) of the proposed rule change reflects the original intent of both the Draft G-17 Notice and the G-11 Amendments, specifically, that existing bond owners be allowed a voice in the

amendment process and not be overridden by the vote of a temporary owner such as an underwriter. MEAG's proposal is not consistent with the proposed rule change because it would allow an underwriter to vote the principal amount of bonds underwritten in lieu of the purchasing bond owners and have such vote "count" towards achieving the overall requisite number of consents required for the amendment. The MSRB notes that, if an issuer wishes to have the consents of the new purchasers counted immediately, it can request the underwriter implement subparagraph (l)(i)(D) of the proposed rule change and obtain individual consents from each new purchaser. The MSRB agrees to a certain extent with SIFMA's comment and notes that subparagraph (l)(i)(A) of the proposed rule change now excepts consents provided by underwriters if the practice is authorized in the authorizing documents and disclosed in the related offering documents. As noted above, the underwriter would be required to consider the request in light of its fair dealing obligations under Rule G-17.

Include dealers acting in other capacities

Comment. NFMA and RI supported the proposed exception included in the G-11 Amendments for remarketing agents, and stated that the exceptions were appropriate and sufficient. MEAG said that auction agents should be included because their function was ministerial, similar to that of a remarketing agent. Standish Mellon disagreed with the proposed exceptions for a dealer as an owner and as a remarketing agent, stating that it would allow the dealer too much discretion for self definition.

MSRB Response. The MSRB believes that the exceptions to the particular prohibition in the G-11 Amendments for dealers serving as underwriters and remarketing agents is sufficient and that creating exceptions for dealers in other functional capacities

will create unnecessary complications and will not contribute to effectively protecting existing bond owners.

Positive and negative benefits of the proposed rule change

Comment. ICI, NAIPFA, NFMA, Nuveen, Standish Mellon and RI generally supported the proposal, saying that the G-11 amendments would protect investors.

Comment. MEAG said that the G-11 Amendments would not benefit investors because they could preclude investors from realizing the benefits that could be derived from certain types of amendments. MEAG also said the G-11 Amendments might have a negative effect on issuers and investors because they would require issuers to undertake a costly process because there was no reasonable or cost-effective alternative, or might cause an issuer to delay the effectiveness of amendments until it had acquired sufficient consents and thereby delay or preclude investors from realizing the benefits of the amendments.

Comment. RI said that the G-11 Amendments would protect investors and would also require that consent provisions be more detailed and clear, and that issuers and investors would benefit from more certainty in the market. RI said it may be more complex for issuers to modify older documents, but it believed it could be done and suggested that trustees could provide consent with a legal opinion, and that older issues could be refunded.

Comment. NY Water and SIFMA suggested that the proposed rule change provide for an exception where the authorizing documents and official statement expressly provide for and disclose that an underwriter would be able to provide bond owner consent. NY Water noted that provisions specifically allowing underwriters to

consent were designed to address the inability under an authorizing document to permit a deemed consent. Further, NY Water noted that where authorizing documents now include these provisions, failure to include this exception would have the effect of amending the issuer's existing authorizing documents without the issuer's consent. SIFMA noted that altering such express authority substantively changes the contractual rights and expectations of the parties.

Comment. NFMA said that the G-11 Amendments did not present a burden and called for additional disclosure.

MSRB Response. The MSRB recognizes the benefits to be gained by issuers and existing bond owners by timely amendments to authorizing documents and believes that the proposed rule change offers issuers a sufficient range of potential options to effect desired amendments in an efficient manner.

The MSRB also recognizes that certain issuers' authorizing and offering documents expressly authorized and disclosed the ability of underwriters to provide bond owner consents, and that following the publication of the Draft G-17 Notice, some issuers amended their documents to provide such authorization and disclosure. As a result, the MSRB, in its second request for comment on the G-11 Amendments, added a subparagraph (now subparagraph (l)(i) (A)) to except consents provided by an underwriter where the authorizing documents and the offering documents include such authorization and disclosure. MEAG agreed with this approach in its comments.

Comment. NAIPFA requested that the G-11 Amendments be revised to require that the obligation of obtaining consents be placed on the party to the transaction requesting the amendments to the authorizing documents, unless the parties agreed

otherwise. The commenter said that the underwriter is typically the party that recommends the amendments and that the underwriter is often in the best position to obtain the bond owner consents. This commenter believed that such provision would improve market efficiency and lessen the financial and administrative impact that may otherwise be felt by issuers.

MSRB Response. The MSRB believes that the parties to the transaction are in the best position, at the time the necessity for consent is ascertained, to determine the appropriate party to bear the financial and administrative burden of obtaining the consents. In some cases, an issuer may choose to have its trustee or financial advisor manage the process; in other cases, the issuer may determine that the underwriter or other party is the appropriate party to assume all or part of the burden of obtaining consents. Including a provision placing the obligation on the underwriter "unless otherwise agreed to by the parties" may imply that the MSRB believes that such responsibilities belong with the underwriter and may adversely affect an issuer's negotiating position. Accordingly, the MSRB believes that this matter is best left to negotiation by the parties and has not included such a provision in the G-11 Amendments.

Comment. NFMA said that the G-11 Amendments should differentiate between amendments that merely modernize authorizing documents (with no adverse impact) and those that dilute security, which were not desirable.

MSRB Response. As the MSRB noted in response to similar comments by NFMA relating to the Draft G-17 Notice, the MSRB believes that the proposed rule change will address a number of these issues. Unlike the Draft G-17 Notice, the proposed rule change does not list specific factors that a dealer must consider prior to

providing a consent to changes to authorizing documents. The proposed rule change prohibits dealers from providing consent to any proposed amendment to an authorizing document, except in limited instances and in the context of a dealer's fair dealing obligations. The MSRB believes that the exceptions in the proposed rule change, and the overarching application of a dealer's fair dealing obligations, will address the difficulty of determining a "reduction in security" and achieve protection for existing bond owners.

Ability of issuers to obtain consents through existing mechanisms and alternative methods

Comment. MEAG and RI said the process of using DTC to obtain bond owner consents was costly and difficult. MEAG said the G-11 Amendments would preclude issuers from using a long standing practice of obtaining consents to amendments and would require issuers to undertake a more costly process. NFMA said that locating bond owners was not the issue, and that even if bond owners were located, they would consent only in limited circumstances. RI suggested that market participants, using technology and the web-based Electronic Municipal Market Access ("EMMA®") system,[20] could develop a system of notification and request for consents to amendments.

MSRB Response. As discussed above, the MSRB believes that the proposed rule change will provide a sufficient range of potential options to allow issuers to obtain bond owner consents in a cost-sensitive and efficient manner.

Alternative methods to providing the protections sought under the Rule G-11 Amendments that would be more effective and/or less burdensome

[20] EMMA is a registered trademark of the MSRB.

Comment. MEAG said it was unaware of more effective/less burdensome alternatives. MEAG also said that the rule should be prospective and that underwriters should be able to provide consents only if bond documents provided for bond owner consent and the offering documents disclosed such practice. MEAG did not believe that relying on "deemed consents" would be more effective, because in its case, the bond indentures did not recognize the concept of a "deemed consent." NFMA said that standards addressing a material dilution could be developed. RI said industry participants could develop a system (via technology) of notification and requests for consents from beneficial owners, which process would be especially helpful when amending older documents when no new financing was involved.

MSRB Response. As noted above, the proposed rule change will address MEAG's comment by allowing underwriters to provide such consents if the authorizing and offering documents provide for and disclose such practice, assuming the underwriter has determined that providing such consent would be consistent with its fair dealing obligations. With respect to the other comments, the MSRB encourages other market participants to develop alternatives to allow issuers to conduct direct solicitations of bond owners, if desired.

Other comments

Other comments received, while not in direct response to the questions posed, are included here.

Comment. NFMA said that there should be better disclosure to existing bond owners if there was the ability to change the security for bonds with the consent of less than 100% of such owners, or when a material change was made to the authorizing

documents, and that the MSRB should require conspicuous notice in a material event notice posted on EMMA.

MSRB Response. The MSRB notes that it does not have the statutory authority to amend SEC Rule 15c2-12 to include other event notices, but it has introduced facilities on EMMA to allow voluntary disclosure by various market participants, particularly in connection with the introduction of additional voluntary disclosure options for issuers and obligated persons[21] and invitations to issuers to submit information about bank loan and other financings.[22]

Comment. NFMA and Nuveen noted that amendments to authorizing documents, as well as the practice of underwriters banking consents, should be disclosed. These commenters also stated that where a material change in a security has resulted from a deemed consent, such event should be included in a material event notice on EMMA.

Comment. MEAG and SIFMA said that the exception for cases where 100% of existing owners had also consented should be revised to permit underwriters to consent in cases where consents were obtained from the requisite percentage of bond owners, as permitted by the authorizing documents. MEAG said that this exception, allowing an underwriter to consent if 100% of bond owners affected by the amendment (other than those on behalf of whom the dealer was consenting) had also consented, was too restrictive and would change the terms of a document that required less than 100% consent to effect amendments. This commenter also suggested that this provision be

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[21] MSRB Notice 2011-27 (May 23, 2011). Issuers and their designated agents have the ability to make available, on a voluntary basis, through EMMA preliminary official statements and other related pre-sale documents as well as official statements, advance refunding documents and related information.

[22] MSRB Notice 2012-18 (April 3, 2012).

revised to make the effectiveness of the provision be conditioned upon the receipt of consents, rather than the ability of the underwriter to execute the consent.

MSRB Response. The MSRB notes that this requirement of 100% consent is applicable only under circumstances where an issuer requests an underwriter to consent in lieu of bond owners of newly issued bonds instead of obtaining the consent from the underlying purchasers, which scenario is addressed in subparagraph (l)(i)(D).[23] The MSRB agrees with the comment relating to the effectiveness of the underwriter's consent and has amended subparagraph (l)(i)(E) of the proposed rule change to reflect this comment.

Comment. MEAG also requested a clarification concerning paragraph (k)(iii) (now proposed subparagraph (l)(i)(C)) of the proposed rule change that allows a remarketing agent to consent to changes to an authorizing document provided that all bonds affected by the consent are held by the remarketing agent as a result of a mandatory tender. It suggested that this subparagraph be revised to clarify that the remarketing agent was not required to "hold" bonds tendered to it as a result of a mandatory tender if it obtained the specific consent to the proposed amendment from the bond owner electing to "hold in lieu" of tendering.

MSRB Response. The MSRB agrees with the suggestion and has incorporated this change in subparagraph (l)(i)(C) of the proposed rule change.

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[23] This provision does not change the ability of an issuer, without seeking the consent of an underwriter, to effect changes to its authorizing documents with consents that meet the requisite threshold in compliance with the terms of the authorizing documents. This provision only applies when the issuer is seeking the consent of an underwriter in lieu of new purchasers of bonds.

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 of up to 90 days (i) as the Commission may designate 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. Please include File Number SR-MSRB-2013-08 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-2013-08. 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 Internet 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 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the MSRB. 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-2013-08 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.[24]

Kevin M. O'Neill
Deputy Secretary

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[24] 17 CFR 200.30-3(a)(12).