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April 3, 2008



Ms. Nancy M. Morris  
Secretary  
Securities and Exchange Commission  
Station Place  
100 F Street, N.E.  
Washington, DC 20549-1090

RE: File Number SR-MSRB-2007-08; Comments to Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change to Rule G-8, Books and Records, Rule G-9, Preservation of Records, and Rule G-34, CUSIP Numbers and New Issue Requirements, to Improve Transaction Reporting of New Issues

Dear Ms. Morris:

Griffin, Kubik, Stephens & Thompson, Inc. ("GKST") appreciates this opportunity to comment on the proposed amendments to Rule G-8, G-9 and G-34, which the Municipal Securities Rulemaking Board ("MSRB") submitted to the Securities and Exchange Commission ("SEC") on January 11, 2008 and was published in the Federal Register on January 17, 2008.

GKST is a regional dealer and an active municipal underwriter, both competitive and negotiated, regularly underwriting between 200 and 300 deals a year. We participated in the drafting of the March 28, 2008 SIFMA letter and fully support its comments. We also wanted to take this opportunity to comment on our own. GKST is in full support of increased price transparency in the municipal marketplace, as well as the development of a workable mechanism to distribute new issue information on a timely basis to all market participants. To this end, GKST personnel have worked tirelessly with DTCC on a one-to-one basis, as well as through SIFMA as a member of the Municipal Operations Committee, and as the only regional firm in the NIIDS User Group. We have devoted hundreds of hours of time and effort (frequently outside of business hours) to review the NIIDS system design by working through and analyzing the various input screens in an effort to ensure that potential problems and user issues are identified and communicated to DTCC.

While DTCC has been able to incorporate some of the suggested changes, which have proven beneficial, there are still significant difficulties with the program that have yet to be addressed. A file upload capability or spreadsheet interface screen is in the works but will not be ready for testing until sometime later this month. It is currently taking us nearly two hours to successfully input a new deal that has limited serial maturities (5 maturities or less), and most such inputs have not been successful. Multiple calls to the DTCC help desk have been required to overcome obstacles to the very cumbersome manual input process necessary to input information that dealers already have in an electronic format in the bidding and allocation programs that they use.

From the underwriters' perspective, there are two overall problem areas with the current version of the program. First is the extremely cumbersome design layout, which involves the opening of many tabs and sub-tabs in multiple screens in order to enter individual data elements, and the inability to review a composite summary of all the deal data once input, in order to verify the accuracy of that input. Our second area of concern is that the training tutorial is limited in scope and only covers very basic information. Reviewing the tutorial does not prepare the dealer to input a deal into the program without extensive assistance from DTCC personnel, who are also learning the program. We have spent

considerable time interfacing with the help desk while attempting to learn the system. Even with only a few firms testing, the response from the system has been slow. It is imperative that more firms begin testing, but it is not clear that there will be sufficient number of trained DTCC personnel to handle all the issues that will be raised during such increased testing and what effect the increased testing will have on the performance of the system.

The goal of this endeavor is to have timely input of information into a dissemination system in order for all market participants to have access to new issue information and to support price transparency in the municipal market. In order for this program to be successful, it must work smoothly for all participants both on the inbound and outbound sides. The majority of dealers have not yet seen and/or tested the program, and current market conditions are impacting their ability to test under this aggressive implementation schedule. Dealers may not be able to take the time to analyze the screens and communicate feedback to DTCC due to the enormous amounts of time that testing the current version of the system takes. Operations personnel in many firms are already overloaded with duties stemming from increased market volume, additional fails, and auction rate securities failures and conversion of those securities to fixed-rate issues.

DTCC has indicated that a new program release is scheduled for mid April, which we hope will substantially improve how data is input including an area whereby the dealer can download a scale in its entirety. Before this is released to the general community, it should be thoroughly tested by the NIIDS user group so that design flaws (if any) can be addressed and eliminated immediately. New tutorials should also be produced to reflect the system changes and be reviewed by the user group.

Enormous amounts of time and money have been invested by the industry to develop an information dissemination system that is meant to be beneficial to the entire dealer community as well as the investing public. We are committed to seeing NIIDS succeed; however, we believe that postponing the current aggressive implementation schedule is necessary. A postponement would give DTCC additional time to resolve these system deficiencies. As it currently stands, this program is not user friendly to the underwriter. A review of the relatively low number of successful and accurate input attempts underscores the immense hurdles that still need to be cleared.

Thank you again for the opportunity to comment. As a relatively small firm, we take seriously the impact that any new regulatory directive has on competition throughout the industry. If DTCC cannot fix the problems that have already been identified, the cost of complying with the proposed directive will be a severe burden to all firms but relatively more so to smaller firms. It also has the potential of eliminating some smaller firms from participating in the competitive new issue market or reducing the number of issues that they can bid at any one time. Ultimately that would raise borrowing costs for municipal issuers (which will be borne by their taxpayers and users) at a time when public bodies are more concerned than ever about higher borrowing costs arising from bond insurance problems, auctions rate securities problems and general credit crunch conditions.

Respectfully yours,



Mary Lee Corrigan  
Executive Vice President &  
Chief Financial Officer



Janis C. Brennan  
Vice President &  
Operations Manager

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cc: Lynette Hotchkiss, Executive Director, MSRB  
Leslie Norwood, Managing Director, SIFMA