Investment bankers

McLINEY AND COMPANY

Municipal Bonds

2800 McGee Trafficway
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Re: File Number SR-MSRB-2009-08

Thanks to a front page "Bond Buyer" article Monday, August 24, 2009, it was brought to our attention that the Municipal Securities Rulemaking Board (MSRB) interpretive release was attempting to tighten the disclosure requirements for municipal retail transactions.

Based on our forty-three years experience in dealing with infrequently traded less well known municipal issuers we take strong exception with:

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

> 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 Exchange Act since it would apply equally to all dealers.

If the MSRB rule is activated, requiring disclosure at the time of sale of all reasonably accessible material information, and an ongoing dealer requirement to obtain prompt notice of the specified material events that are subject to the continuing disclosure obligations of the rule, from all issuers of bonds sold to retail accounts, it would eliminate the secondary market for the majority of non-rated issuers.

Very few if any of the small issuers we serve have the personnel to provide prompt notice of specified material events that are subject to the continuing disclosure obligation of the rule.

Requiring the research outlined in the MSRB interpretive release would eliminate our ability or in my judgment and other dealer to bid in the secondary market on the small blocks of non-rated bonds. This would eliminate the market for the non-rated bonds held by retail accounts that wish to sell securities, seriously undermining the value of their municipal holdings and make it more expensive for small issuers to enter the market.

These regulations would not only impose a burden on competition it would eliminate it entirely on an important segment of the market.

Why is the MSRB declining an extension of the time period for the enactment of this release? These changes deserve extensive consideration. They pose a threat of completely eliminating the market for a small but important sector of the municipal market.

This will seriously hurt the small nonrated issuers as well as the investors presently holding these securities.

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McLiney And Company and other experienced municipal dealers know their territory and are able to maintain reasonable municipal markets but will be unable to function on the smaller non-rated bonds if the more stringent MSRB interpretive release is enacted.

The above observations are based on our long experience of dealing with non-rated, small municipalities' bond needs. We are very careful with our underwriting and have never had a missed interest or principal payment on any of our underwritings. In addition we provide a secondary market for many of the non-rated municipals in the State of Missouri, both our underwriting and others. Over the years we have never purchased and sold a Missouri municipal in the secondary market that has defaulted on principal or interest payments. Our underwritings have historically been in the $100,000 to $5,000,000 range, our secondary interest runs from $5,000 to $500,000. We believe that these smaller markets will lose their liquidity if the MSRB's interpretive release is activated.

Thank you for your consideration. If you need additional information or clarification please contact the undersigned.

Very truly yours,

George J. McLiney, Jr.