

# Chapdelaine Tullett Prebon, LLC

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May 16, 2012

Ms. Elizabeth M. Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

**RE: File No. SR-MSRB-2012-04**

Dear Ms. Murphy:

Chapdelaine Tullett Prebon, LLC (CTP) appreciates the opportunity to comment on the Municipal Securities Rulemaking Board's ("MSRB") filing of Proposed Rule G-43 and the associated amendments to Rules G-8, G-9 and G-18 relating to Municipal Securities Broker's Brokers ("MSBB's").

Chapdelaine Tullett Prebon, LLC is a Municipal Securities Broker's Broker ("MSBB") acting as riskless principal in the purchase and sale of fixed income securities for registered brokers/dealers, Municipal Securities Dealers, Sophisticated Municipal Market Professionals ("SMMP's") and Institutional Customers. As an MSBB, Chapdelaine Tullett Prebon does not position securities, participate in syndicates, hold customer funds or safe keep customer securities. As riskless principal, we act in the limited capacity of providing anonymity, information flow, order matching, extended distribution and enhanced liquidity to the secondary market. We do not participate in the decision making process of whether or when a transaction is executed. Our compensation is a transactional commission not a security mark-up.

Chapdelaine Tullett Prebon has been an active participant on SIFMA's Broker's Brokers Committee and has submitted a comment letter to the MSRB regarding the aforementioned rules. We commend Peg Henry and the MSRB for their efforts in crafting a fair and workable rule for the secondary municipal market and its participants.

The purpose of this comment letter focuses on a section in proposed rule G-43(c)(i)(E) regarding the disclosure of the involvement of a Customer in any trade transacted with Chapdelaine Tullett

Prebon. The proposed rule requires that a broker's broker disclose in writing to both sellers and buyers the types of firms that constitute their client base. In addition, the proposed rule requires the broker's broker to inform the seller, on a transaction-by-transaction basis, when a Customer is a buyer or high bid on any item at the time of trade.

We feel making a general disclosure in writing to all market participants detailing the types of firms we transact with is a sound and reasonable request. Client bases vary among the MSBB community and knowing what types of market participants they transact with might determine which MSBB to select for any potential transaction.

Our concern is with the language in the proposed rule requiring the MSBB to disclose to the seller on a transaction-by-transaction basis if a Customer is either the high bid or buyer at the time of trade. Anonymity has always been the cornerstone of the broker's brokers business. Disclosing information to a seller, at the time of trade, that the buyer is an institutional customer compromises the anonymous component of the broker's broker market. There are many tools available to market participants to indentify a customer knowing they are a participant in a trade. **CTP strongly feels any regulatory requirement changing the anonymity factor, by identifying customer versus dealer, would have an unintended negative consequence to our current business.** The fact that we detail in writing to all market participants the types of firms we transact with should be sufficient information for making a decision on whether to utilize a MSBB for a potential transaction. **In addition, CTP reports all Customer trades as such to the MSRB in the designated time frame.** The concept of protecting your identity and your position in the market has always been a significant factor in making a decision to utilize the services of a broker's broker. Jeopardizing that aspect of our business model would seriously alter the way business is transacted in the secondary market with the potential of negatively affecting liquidity in the marketplace.

In closing, we request that the Board consider eliminating the requirement for the MSBB to notify the seller on a transaction-by-transaction basis when a Customer/SMMP is the high bid or buyer at the time of trade.

Chapdelaine Tullett Prebon thanks the Securities and Exchange Commission for this opportunity to express our concerns with the MSRB's proposed rule G-43

Kind regards,

  
August J. Hoermer  
Senior Managing Director