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By Electronic Mail (rule-comments@sec.gov)

Brent J. Fields
Secretary
U.S. Securities & Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: File No. SR-MSRB-2016-15: Notice of Filing of a Proposed Rule Change to Extend the MSRB's Customer Complaint and Related Recordkeeping Rules to Municipal Advisors and to Modernize Those Rules

Dear Mr. Fields:

Thank you for this opportunity to submit comments on the proposed amendments to Municipal Securities Rulemaking Board ("MSRB") Rule G-8 (the "Proposed Rule") on behalf of Janney Montgomery Scott LLC ("Janney"). Janney traces its roots in Philadelphia to 1832 and is one of the oldest full service financial services firms in the country with 102 offices and over 740 financial advisors. Janney agrees with the MSRB's goal of enhancing the ability of financial regulators to conduct more cost-effective and efficient inspections and surveillance of regulated entities. However, we would like to draw the attention of the MSRB and the SEC specifically to the following provisions of the Proposed Rule which, in Janney's opinion, do not further the goal.

The MSRB's Proposed Creation of Product and Problem Codes Separate and Distinct from the FINRA Codes Already In Use for FINRA-Member Firms Will Result in Unnecessary Expense and the Requirement to Maintain Duplicative Records

As the Notice describes, all current FINRA members are subject to FINRA Rule 4530 which requires that member firms maintain a record of customer complaints and report written customer complaints on a quarterly basis to FINRA. In addition, FINRA has established problem and product codes that FINRA members must apply to complaints that are received. FINRA's current guidance is that, for complaints involving more than one allegation, the firm should apply the problem code for the most egregious of a customer's complaints.

FINRA periodically reviews the problem and product codes to determine whether the codes need to be revised to provide more clarity and whether new categories need to be added. In FINRA Notice to Members ("NTM") 14-20, issued in May 2014, FINRA updated the existing codes by amending Product Code 10 and adding four new product codes and four new problem codes. This was just the most recent of several examples of FINRA updating the problem and product



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codes to reflect trends or changes in our industry. FINRA member firms, including those firms that also are MSRB members, are able to update their record-keeping requirements by adding the new codes on the effective dates. In addition, third-party vendors who provide complaint record-keeping products for FINRA member firms update their products accordingly to ensure that the new codes are available for their clients' use by the effective date.

The current FINRA codes mandate firms to create complaint lists for regulators by product code or problem code. If the MSRB feels that the existing FINRA codes do not encompass sufficiently the potential problems and products related to the municipal securities business, the most logical solution is to propose new codes to FINRA for review and possible implementation. This will maintain the consistency of the current regulatory environment and keep member firms and regulators from needing to track additional documentation.

If MSRB creates additional problem and product codes that members would be required to apply to complaints related to municipal securities business *in addition to the FINRA codes*, and require those codes to be maintained electronically, all FINRA member firms who also are MSRB members will be forced to maintain two sets of problem and product codes for every municipal-related complaint that they receive. In addition, this change would require FINRA members to recode their complaint-tracking systems at significant cost with no foreseeable benefit given that any new codes that the MSRB required can be added to the existing FINRA list. Since FINRA is the primary enforcement arm of the MSRB, it makes sense that any new codes to be added for municipal business would be added to the existing FINRA codes.

The Notice also mentions that, at some point in the future, the MSRB could require each complaint to be coded with all relevant codes, not just the most egregious. This would leave member firms with the difficult task of not only maintaining two sets of problem and product codes, but also maintaining multiple municipal codes for the same complaint. For example, if MSRB firms are required to maintain multiple codes for the same complaint, FINRA members would have complaints with one FINRA problem and product code and more than one MSRB problem and product code. The current requirement of one problem code and one product code should be maintained. Any additional information about a complaint beyond the problem and product code, including a synopsis of the complaint, is available from a member and would not require the maintaining of additional codes.

Janney understands that certain Municipal Advisory Firms who are not FINRA members currently are not required to maintain customer complaints in accordance with FINRA rules. However, requiring FINRA-member firms to maintain additional codes for complaints related to municipal business solves one problem while creating another. If the MSRB believes it is necessary to create its own set of problem and product codes, then they should be incorporated into the FINRA codes so that FINRA member firms only need to report municipal complaints once. The MSRB should provide an exemption to FINRA-member firms for reporting those complaints to FINRA and the MSRB can access the information from FINRA.



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Janney appreciates the opportunity to offer these comments. If you have any related questions I invite you to contact me directly.

Sincerely,

A handwritten signature in blue ink that reads "Matthew J. Gavaghan".

Matthew J. Gavaghan