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December 19, 2019

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Ms. Vanessa Countryman, Secretary  
Securities and Exchange Commission  
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RE: File Number SR-MSRB-2019-13 Notice of Filing of a Proposed Rule Change to Amend the Information Facility of the MSRB's Electronic Municipal Market Access (EMMA) System

Dear Ms. Countryman:

Thank you for the opportunity to comment on the proposed rule change noted above (Proposed Rule Change). Baker Tilly Municipal Advisors, LLC (BTMA) is a leading municipal advisory firm with over 90 Series 50 Qualified municipal advisors on staff. BTMA is the 2019 combination of two prominent independent municipal advisory firms (Springsted Incorporated and H.J. Umbaugh and Associates). The two firms routinely issue approximately 400 transactions annually for a wide variety of clients and over a diverse geography. We routinely provide issuers with a range of services to assist them in understanding, tracking and meeting their continuing disclosure obligations.

We believe that the Proposed Rule Change is well intentioned but may result in unintended outcomes for the investing public and market valuation of securities. Some of our observations are included below. Perhaps further discussion among industry - especially issuer participants is in order to determine whether the conclusions resulting from the proposed calculation will be valid and useful.

- An overarching concern about the Submission Calculator is that it will have a distorted market impact. Even though the issuer is not out of compliance with its continuing disclosure agreements, a higher day count will be confusing to the market and may suggest that they are somehow inferior to a credit with a lower day count.
- The notice states that "the Submission Calculator would perform its calculation based on the earliest Posted Date for an annual financial disclosure with the most recent Fiscal Period End Date." This snapshot view will offer a distorted sense of fulfilled reporting.
- The notice also states that "Nothing about this display would be evaluative of an issuer's or obligated person's compliance with applicable terms of a continuing disclosure agreement." While this may be the intent, its very presence on the EMMA site will be assumed to indicate compliance, or a gradation of compliance, regardless of any disclaimers. This is especially concerning since, as we noted previously, an issuer may be in complete compliance with its regulatory obligations as specified in a CDA.

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- The notice also states that "... the proposed rule change would not alter the burdens on submitters in publishing annual financial disclosure to the EMMA system." While the nature of how the actual filings are made will not change, we would foresee a future burden on submitters to file something, however inadequate, as quickly as possible. The day count is being reported; therefore, it must be important. However, there is nothing in municipal securities laws related to the importance – or requirement – of this information. There could be pressure on issuers to report something, anything, to get a favorable day count which in the end will not be of value to investors.
- Local issuers are creations of the state in which they reside, and the laws of a state may impact an issuer's ability to achieve a favorable day count. In states where we see mandated state performed audits, the issuer has no control over when the audit will be completed. The Submission Calculator provides a common measure of uncommon and differing circumstances. The Submission Calculator could also unfairly reflect poorly on units of government that have biennial reporting periods. In certain states, the state determines the auditing period for audits that it completes. This period may not be annual.
- Reflecting on other systems, automated calculations do not always result in accurate information.

We agree that timely continuing disclosure reporting is important, but the calculated day count will be used by some as an indicator of credit worthiness. A 100-day count does not indicate a better credit than a 150-day count. It is hard to imagine that a less informed investor will not use this metric as a credit evaluation tool. We suggest that the Proposed Rule Change be discussed with stakeholders and user focus groups to explore improvements and to avoid any unintended consequences, such as inconsistent and unclear data or a distorted market influence resulting from the calculation prior to an SEC approval.

Sincerely,

BAKER TILLY MUNICIPAL ADVISORS, LLC



Vicki Hellenbrand, CPA, President