

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-57500; File No. SR-MSRB-2008-02)

March 14, 2008

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Amendment to Rule A-3, on Membership on the Board, and Rule A-4, on Meetings of the Board

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 5, 2008, the Municipal Securities Rulemaking Board (“MSRB” or “Board”), filed with the Securities and Exchange Commission (“Commission” or “SEC”) the proposed rule change as described in Items I, II and III below, which Items have been substantially prepared by the MSRB. The MSRB has filed the proposal pursuant to Section 19(b)(3)(A)(iii) of the Act,³ and Rule 19b-4(f)(3) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The MSRB is filing with the Commission a proposed rule change consisting of amendments to Rule A-3 to permit greater diversity in considering persons to serve on the Nominating Committee or for Board membership and amendments to Rule A-4 to permit the Chairman of the Board to call a special meeting of the Board directly and more

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

quickly, but with unanimous consent. The text of the proposed rule change is available on the MSRB's Web site (www.msrb.org), at the MSRB, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Board has been reviewing its Administrative Rules and by-laws to ensure that they are consistent with current good corporate governance practices. Among other things, Rule A-3, on membership on the Board, directs the Board and the Nominating Committee to consider the "need" to maintain broad geographic representation on the Board, as well as diversity in the size and type of dealers represented, in considering persons to serve on the Nominating Committee or for Board membership.

The Board has determined to modify this provision in the rule in order to provide greater flexibility in the appointment of persons to the Nominating Committee and the nomination of candidates to the Board. This modification will facilitate the Board and Nominating Committee's consideration of a broader range of factors for nomination and will encourage consideration of well-qualified candidates with diverse backgrounds,

unique experience and complementary skills, together with consideration of geographic representation and diversity in the size and type of dealers represented. Further, the modification seeks to prevent the artificial limiting of the field of qualified candidates by permitting the Board and Nominating Committee to consider such broader factors rather than to exclusively select candidates in order to achieve diversity on a narrower set of parameters.

Rule A-4, among other things, provides a process for calling special meetings of the Board, including how the notice of the time and place of the special meeting shall be provided to Board members. The current provision requires the Secretary of the Board to call a meeting at the request of the Chairman of the Board or at the request of not less than three Board members. In addition, the rule provides that the notice of the special meeting shall be mailed to each member not later than the seventh calendar day preceding the date on which the meeting is to be held. The rule provides for a three day notice period for notice by telephone, e-mail or personal delivery.

The Board has determined to modify this provision to clarify and update its rules and bring them into line with modern practice. The Board has modified the rule to enable the Chairman of the Board to call a special meeting of the Board directly, without the assistance of the Secretary of the Board. In addition, the Board has provided that notices for the time and place of a special meeting shall be provided to each member and the Secretary of the Board with three-day's advance notice. Further, the modification permits the Board to waive such advance notice by unanimous consent of all Board members attending such meeting. The modification takes into consideration the realities

of modern communications and permits the Board to convene quickly, but with unanimous consent, in the event of, among other things, a market or other emergency.

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(I) of the Act,⁵ which authorizes the MSRB to adopt rules that provide for the operation and administration of the MSRB. The MSRB believes that the proposed rule change is consistent with this provision because it is concerned solely with the operation and administration of the MSRB.

B. Self-Regulatory Organization's Statement on Burden on Competition

The MSRB does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act since it only applies to the operation and administration of the MSRB.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(3) thereunder⁷ because it is concerned solely with the operation and administration of the MSRB. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it

⁵ 15 U.S.C. 78o-4(b)(2)(I).

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(3).

appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.⁸

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-MSRB-2008-02 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MSRB-2008-02. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed

⁸ See Section 19(b)(3)(C) of the Act, 15 U.S.C. 78s(b)(3)(C).

with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File Number SR-MSRB-2008-02 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Florence E. Harmon
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).