

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-53804, File No. SR-MSRB-2006-02)

May 15, 2006

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order
Approving Proposed Rule Change Relating to Restated Articles of Incorporation and By-
Laws

On March 20, 2006, the Municipal Securities Rulemaking Board (“MSRB” or “Board”), filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² a proposed rule change consisting of the MSRB’s Restated Articles of Incorporation and By-Laws. The proposed rule change is intended to expand the indemnification provisions for Board members and employees and to make other revisions to the Board’s Articles of Incorporation and By-Laws. The proposed rule change was published for comment in the Federal Register on April 14, 2006.³ The Commission received no comment letters regarding the proposal.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB⁴ and, in particular, the requirements of Section 15B(b)(2)(C) of the Act⁵ and the rules and regulations thereunder. Section 15B(b)(2)(C) of the Act requires, among other

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 53616 (April 7, 2006), 71 FR 19571 (April 14, 2006).

⁴ In approving this rule the Commission notes that it has considered the proposed rule’s impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78o-4(b)(2)(C).

things, that the MSRB's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.⁶ In particular, the Commission finds that the proposed rule change will clarify provisions relating to the operation and administration of the MSRB.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-MSRB-2006-02) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Nancy M. Morris
Secretary

⁶ Id.

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).