

Rule G-28: [Transactions with Employees and Partners of] Accounts at Other [Municipal Securities Professionals] Brokers, Dealers, Municipal Securities Dealers and Financial Institutions

(a) *[Account Instructions] Obligations of Associated Persons.*

(i) No associated person of a broker, dealer or municipal securities dealer (“employer dealer”) [broker, dealer or municipal securities dealer] shall without prior written consent of such employer dealer open or otherwise establish [maintain] an account at another broker, dealer or municipal securities dealer (“executing dealer”), or any other financial institution in which transactions in municipal securities may be effected for [a customer] such account of the associated person or account in which the associated person has a beneficial interest [who such broker, dealer or municipal securities dealer knows is employed by, or the partner of, another broker, dealer or municipal securities dealer, or for or on behalf of the spouse or minor child of such person unless such broker, dealer, or municipal securities dealer first gives written notice with respect to the opening and maintenance of such account to the broker, dealer or municipal securities dealer by whom such person is employed or of whom such person is a partner].

(ii) In the case of an account to be opened or otherwise established at an executing dealer or other financial institution, such associated person shall provide, prior to opening or otherwise establishing of such account subject to paragraph (a)(i) of this rule, a written notification to the executing dealer, or other financial institution, of his or her association with the employer dealer.

(b) *[Account Transactions] Obligations of Executing Dealer.* [No broker, dealer, or municipal securities dealer shall effect a transaction in municipal securities with or for an account subject to section (a) of this rule unless such broker, dealer, or municipal securities dealer]

(i) [sends simultaneously to the employing broker, dealer or municipal securities dealer a duplicate copy of each confirmation sent to the customer,] An executing dealer shall furnish, upon written request by an employer dealer, duplicate copies of confirmations and account statements, or transactional data that would be contained therein, with respect to the account subject to this rule; and

(ii) act[s] in accordance with any written instructions which may be provided to the executing dealer by the employer dealer [broker, dealer or municipal securities dealer by an employing broker, dealer or municipal securities dealer] with respect to transactions effected [with or] for such account.

(c) *No change.*

Supplementary Material

.01 Account Opened Prior to Association With Employer Dealer. If the account was opened or otherwise established prior to the person's association with the employer dealer, the associated

person, within 30 calendar days of becoming so associated, shall obtain the written consent of the employer dealer to maintain the account and shall notify in writing the executing dealer or other financial institution of his or her association with the employer dealer.

.02 Personal and Related Accounts. For purposes of this rule, the associated person shall be presumed to have a beneficial interest in, and to have established, any account that is held by:

(a) the spouse of the associated person;

(b) a child of the associated person or of the associated person's spouse, provided that the child resides in the same household as or is financially dependent upon the associated person;

(c) any other related individual over whose account the associated person has control; or

(d) any other individual over whose account the associated person has control and to whose financial support the associated person materially contributes.

For purposes of paragraphs (a) and (b) of this Supplementary Material .02, an associated person need not be presumed to have a beneficial interest in, or to have established, an account if the associated person demonstrates, to the reasonable satisfaction of the employer dealer, that the associated person derives no economic benefit from, and exercises no control over, the account.

.03 Accounts at a Financial Institution Other Than a Dealer. With respect to an account subject to this rule at a financial institution other than a broker, dealer or municipal securities dealer, the employer dealer shall consider the extent to which it will be able to obtain, upon written request, duplicate copies of confirmations and account statements, or transactional data that would be contained therein, directly from such financial institution in determining whether to provide its written consent to an associated person to open or maintain such account.

.04 Other Financial Institution. For purposes of this rule, the terms "other financial institution" and "financial institution other than a broker, dealer or municipal securities dealer" include, but are not limited to, any investment adviser, bank, insurance company, trust company, credit union, investment company and any foreign or other broker-dealer not subject to MSRB rules.