

Rule G-10: [Delivery of] Investor [Brochure] and Municipal Advisory Client Education and Protection

(a) Each broker, dealer and municipal securities dealer (collectively, a “dealer”) shall, once every calendar year, provide in writing (which may be electronic) to each customer the following items of information:

(i) a statement that it is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board;

(ii) the website address for the Municipal Securities Rulemaking Board; and

(iii) a statement as to the availability to the customer of an investor brochure that is posted on the website of the Municipal Securities Rulemaking Board that describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with financial regulatory authorities. [shall deliver a copy of the investor brochure to a customer promptly upon receipt of a complaint by the customer.]

[(b) For purposes of this rule, the following terms have the following meanings:

(i) the term “investor brochure” shall mean the publication or publications so designated by the Board, and

(ii) the term “complaint” is defined in rule G-8(a)(xii).]

(b) Each municipal advisor shall, promptly but no less than once each calendar year during the course of a municipal advisory relationship, as defined in MSRB Rule G-42(f)(v), or as a result of a solicitation of a municipal entity or obligated person, as defined in Rule 15Ba1-1(n), 17 CFR 240.15Ba1-1(n), under the Act, provide in writing (which may be electronic) to the municipal advisory client, the following items of information:

(i) a statement that it is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board;

(ii) the website address for the Municipal Securities Rulemaking Board; and

(iii) a statement as to the availability to the municipal advisory client of a municipal advisory client brochure that is posted on the website of the Municipal Securities Rulemaking Board that describes the protections that may be provided by the Municipal Securities Rulemaking Board rules and how to file a complaint with financial regulatory authorities.

(c) For the purposes of this rule, municipal advisory client shall include a municipal entity or an obligated person for whom the municipal advisor either engages in municipal advisory activities,

as defined in MSRB Rule G-42(f)(iv), or for whom the municipal advisor undertakes a solicitation of a municipal entity or obligated person, as defined in Rule 15Ba1-1(n), 17 CFR 240.15Ba1-1(n), under the Act.

Rule G-8: Books and Records to be Made by Brokers, Dealers, and Municipal Securities Dealers and Municipal Advisors

(a) *Description of Books and Records Required to be Made.* Except as otherwise specifically indicated in this rule, every broker, dealer and municipal securities dealer shall make and keep current the following books and records, to the extent applicable to the business of such broker, dealer or municipal securities dealer:

(i) - (xi) No change.

(xii) *Customer Complaints.* A record of all written complaints of customers, and persons acting on behalf of customers [,] that are received by the broker, dealer or municipal securities dealer. This record must include the complainant's name, address, and account number; the date the complaint was received; the date of the activity that gave rise to the complaint; the name of each associated person of the broker, dealer or municipal securities dealer identified in the complaint; a description of the nature of the complaint; and what action, if any, has been taken by such broker, dealer or municipal securities dealer in connection with each such complaint. In addition, this record must be kept in an electronic format using the complaint product and problem codes set forth in the Municipal Securities Rulemaking Board Rule G-8 Customer and Municipal Advisory Client Complaint Product and Problem Codes Guide.

The term "written," for the purposes of this paragraph, shall include electronic correspondence. The term "complaint" shall mean any written statement alleging a grievance involving the activities of the broker, dealer or municipal securities dealer or any associated persons of such broker, dealer or municipal securities dealer with respect to any matter involving a customer's account.

(xiii) - (xxvi) No change.

(b) – (d) No change.

(e) *Definitions*

(i) [of] *Customer.* For purposes of this rule, the term "customer" shall not include a broker, dealer, [or] municipal securities dealer or municipal advisor acting in its capacity as such or the issuer of the securities which are the subject of the transaction in question.

(ii) *Municipal Advisory Client.* For the purposes of this rule, the term "municipal advisory client" shall include a municipal entity or an obligated person for whom the municipal

advisor engages in activities that would cause the municipal advisor to be a municipal advisor, as defined in Section 15B(e)(4) of the Act.

(f) – (g) No change.

(h) *Municipal Advisor Records.* Every municipal advisor that is registered or required to be registered under section 15B of the Act and the rules and regulations thereunder shall make and keep current the following books and records:

(i) - (v) No change.

(vi) *Municipal Advisory Client Complaints.* A record of all written complaints of municipal advisory clients or persons acting on behalf of municipal advisory clients that are received by the municipal advisor. This record must include the complainant’s name, address, and account number; the date the complaint was received; the date of the activity that gave rise to the complaint; the name of each associated person of the municipal advisor identified in the complaint; a description of the nature of the complaint; and what action, if any, has been taken by such municipal advisor in connection with each such complaint. In addition, this record must be kept in an electronic format using the complaint product and problem codes set forth in the Municipal Securities Rulemaking Board Rule G-8 Customer and Municipal Advisory Client Complaint Product and Problem Codes Guide.

The term “written,” for the purposes of this paragraph, shall include electronic correspondence. The term “complaint” shall mean any written statement alleging a grievance involving the activities of the municipal advisor or any associated person of such municipal advisor with respect to the solicitation of that municipal entity client or any matter involving the municipal entity client’s account.

---Supplementary Material:

.01 Electronic Recordkeeping. Paragraphs (a)(xii) and (h)(vi) of this rule require that customer complaint logs be kept in an electronic format. For those purposes, “electronic format” is defined as any computer software program that is used for storing, organizing and/or manipulating data that can be provided promptly upon request to a financial regulatory authority.

.02 Other Reporting Requirements. A broker, dealer, municipal securities dealer and municipal advisor (collectively, a “regulated entity”) are reminded that, in addition to the recordkeeping requirements of Paragraphs (a)(xii) and (h)(vi) of Rule G-8, the regulated entity may be required to promptly report certain written customer or municipal advisory client complaints to other financial regulatory authorities. Those written customer or municipal advisory client complaints that may be required to be promptly reported to other regulatory authorities include complaints in which the customer or municipal advisory client alleges theft or misappropriation of funds or securities or of forgery.

Rule G-9: Preservation of Records

(a) – (g) No change.

(h) *Municipal Advisor Records.*

(i) - (ii) No change.

(iii) The records described in Rule G-8(h)(iii) and (vi) shall be preserved for at least six years; provided, however, that copies of Forms G-37x shall be preserved for the period during which such Forms G-37x are effective and for at least six years following the end of such effectiveness.

(i) – (k) No change.

Rule G-32 Interpretation – Notice Regarding Electronic Delivery and Receipt of Information by Municipal Advisors

In November 1998, the MSRB published an interpretation about the use of electronic media to deliver and receive information by brokers, dealers and municipal securities dealers under Board rules (the “1998 interpretation”). Since that time, the MSRB has been granted rulemaking authority over municipal advisors, and in the exercise of that authority, the MSRB has been developing a comprehensive regulatory framework for municipal advisors.

The Board believes that the use of electronic media to deliver and receive information under Board rules also is important for municipal advisors, and extends the guidance provided in the 1998 interpretation, as relevant, to municipal advisors. See **Rule G-32 Interpretation – Notice Regarding Electronic Delivery and Receipt of Information by Brokers, Dealers and Municipal Securities Dealers (November 20, 1998).**