NATIONAL ASSOCIATION OF MUNICIPAL ADVISORS

February 28, 2018

Mr. Brent Fields
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

RE: File No. SR-MSRB-2018-01

Dear Mr. Fields:

Thank for the opportunity to comment on SEC Release No. 34-82616, Proposed New Rule G-40: Advertising for Municipal Advisors. The National Association of Municipal Advisors ("NAMA") represents independent municipal advisory firms and individual municipal advisors ("MA") from around the country. Our association's mission is to educate municipal advisor professionals on regulatory and marketplace matters and provide a platform for MAs to collectively be heard in these same arenas.

NAMA supports the regulation of municipal advisors and believes such action is best for the profession and issuers of municipal securities. We believe that MSRB rules should be developed to appropriately address the broad scope of services that MAs provide to the variety of issuers in our marketplace. Rulemaking should also be as clear as possible, as many new MSRB rules have become effective without interpretive guidance to assist with their application and MA compliance procedures. Without such clarity, we find that our members must expend extra resources to hire outside counsel to help determine the application of the rulemaking to their practice, and even such counsel are challenged to understand how new rules are intended to apply in certain contexts. These expenses could be easily avoided if MSRB rulemaking was more clear and if the rule was combined with the release of interpretive guidance.

We concur with the MSRB that municipal advisors should engage in advertisements based on principles of fair dealing and good faith. Therefore, as we have previously stated, such elements could be achieved with existing rulemaking, MSRB Rule G-17. While we do not seek to create differing rulemaking between broker/dealers and municipal advisors on similar issues, advertising is an area where this parity does not work as well as it does in other rules (e.g., pay to play Rule G-37), since Rule G-21 (as well as FINRA Rule 2210, from which the MSRB proposes to adopt content standards) applies to the advertisement of products promoted by broker/dealers, and Rule G-40 applies to municipal advisors who advertise for their professional services.

In the event that the proposed Rule G-40 is not withdrawn and the MSRB does not state that municipal advisor advertisements would be covered under the umbrella of Rule G-17, we believe there are numerous areas where the rulemaking needs to be further refined or clarified in order to avoid confusion and to support compliance. We have also included with this submission our letter to the MSRB dated March 24, 2017, which includes more detailed suggestions of language changes that would assist both with providing further clarity in the rulemaking and tailoring the rulemaking to MA professional services.

General Information Exclusions

We request that the exclusions from the advertising rule that appear at the end of section (a)(i) include those listed in clauses (a), (b), (d) and (e) the SEC Rule "General Information Exclusions" that are part of the SEC's MA Rule FAQ 1.1.[i] Because of the MSRB's expressed concerns regarding SEC staff-generated guidance, as discussed below, the MSRB way wish to include the text of the four specific items from FAQ 1.1 in Rule G-40(a)(i), rather than cross-referencing to the FAQ. Additionally, information and products developed for a client that can then be used as an example of the capacity and work product of an MA firm, should be specifically exempt from being considered advertising. One approach to providing such clarification would be to define "distributed" in Section (a)(i) so that business documents that are prepared for (and distributed to) clients are not caught up in the confusion of the definition of advertising.

General Content Standards

NAMA and others commented to the MSRB in 2017 that the content standards section of the proposed rulemaking was not clear, mainly as it tried to force language used for products sold by broker/dealers onto services provided by municipal advisors. There are numerous areas where this section remains unclear and where additional language would be helpful to ensure compliance with the rulemaking. We were disappointed that the MSRB's acknowledgement that NAMA and others flagged this section as confusing was limited solely to a mere assertion that they believe the "content standards are clear as drafted." While NAMA may not represent all municipal advisors, the organization does represent many MA firms with a broad range of size, sophistication and practice areas. Having learned from such a representative of the entities that must comply with the new rule that a section in rulemaking needs further definition and clarification in order to avoid confusion and to encourage compliance, the MSRB should address rather than dismiss the need for changes to or clarification of the language in rulemaking. At a bare minimum, the MSRB should share with the municipal advisor community their understanding of the clarity of these standards – by further explanatory language or through examples – in the context of the activities and communications such firms undertake.

Below are specific comments related to content standards which are further discussed in our March 24, 2017 letter (attached).

Testimonials

It is unclear why the proposed rulemaking would allow broker/dealers to use testimonials in advertisements in G-21 but not municipal advisors in Rule G-40. In the MSRB's submission to the SEC[ii] there are many instances where the MSRB states that they cannot accommodate MAs differently than broker/dealers as it would cause a divide in Rules G-21 and G-40. We strongly believe, at a minimum, that testimonials be treated the same under both Rules G-21 and G-40, and the MSRB's argument supporting inclusion of a full prohibition of testimonials for municipal advisors is not only unconvincing but also illogical. In fact, if any version of Rule G-40 is ultimately adopted, the current circumstances argue strongly in favor of the MSRB removing testimonials from Rule G-40 for now and, if necessary, consider any future amendment to deal with testimonials in a way that is consistent with FINRA's and the SEC's overall treatment.

The MSRB's insistence on including a prohibition on testimonials in Rule G-40 at this time stands on its head the context in which it is now undertaking rulemaking. The MSRB is relying on a 1961 rule applicable to a different class of regulated entities (investment advisers), effectively ignoring that, in the years since, SEC staff has seen fit to take several actions to effectively modify this baseline requirement in a way that – even if not as a result of formal rulemaking – today governs testimonials by investment advisers, and also that the SEC has announced in its most recent regulatory agenda its intention to revisit the issue. The MSRB provides no rationale for why the original 57-year-old rule, without reflecting subsequent in-practice modifications, must immediately be imposed on municipal advisors –eight years after municipal advisors became regulated parties and likely only very shortly before the MSRB will be faced with needing to consider modifications to these newly imposed requirements. Further, there is no evidence whatsoever of the misuse of testimonials by municipal advisors that makes the

imposition of this likely transitory prohibition – more restrictive than for investment advisers – urgently needed at this moment. Logic dictates instead that, if the MSRB is determined to maintain parallel treatment between municipal advisors and investment advisers in this one area, such rule should await SEC rulemaking and should also incorporate the guidance by which investment advisers are currently guided. With regard to the MSRB adopting in a rule principles that SEC staff has enunciated outside of the SEC rulemaking process, the MSRB has full authority to exercise its judgment and rulemaking authority under Section 15B of the Exchange Act independent of the SEC; the notion that the MSRB cannot write a rule that is based on SEC staff guidance (even though the MSRB considers other sources of input in its rulemaking) is to suggest that the MSRB views its rulemaking authority as derivative of the SEC's authority, which is not the case.

Finally, the MSRB argues that incorporating SEC staff guidance into its rule would create challenges for the MSRB to monitor such guidance and to provide notice to municipal advisors of any new SEC guidance that could become applicable to them, notwithstanding the fact that the MSRB has previously undertaken to do just that in other contexts (such as following FINRA's guidance on its own suitability rule for purposes of Rule G-19). Nonetheless, having stated that it is not willing to take on the burden of monitoring SEC activities, the MSRB in the very next sentence asks that municipal advisors be comforted by the fact that the MSRB will monitor developments relating to the investment adviser testimonial ban. We strongly suggest that the MSRB allow the SEC staff guidance for investment advisors to be used in this area of testimonials, as the MSRB does rely on staff guidance provided by fellow regulators in other areas.

Case Studies and Client Lists

We commented above that testimonials should not be considered advertising, or at a minimum should not be included in the current rulemaking, and we ask that case studies and client lists also be specifically exempt from the definition of advertising. In order to help MAs comply with the rulemaking, both should be treated as falling within the General Information Exclusions from the advertising definition, as described above, or explicitly included in the exceptions listed in Section (a)(i).

The MSRB in its filing with the SEC stated that it would not state that client lists are allowed to be exempt from advertising as is the case in SEC guidance for investment advisers. The MSRB stated that the reasoning for this is that it was SEC staff and not SEC Commissioners who approved and provided this information in a FAQ. We again call on the MSRB to exercise its independent judgment and rulemaking authority as described above and provide for client lists and case studies to be exempt from advertising consistent with the SEC's prior action and current investment adviser practices.

MA Web Sites and Social Media Platforms

As many MA firms do not engage in traditional advertising, the most likely area where the rulemaking will apply is to MA firm web sites. Additionally, the use of various professional social media platforms (e.g., LinkedIn, Twitter) may be used by MAs moreso than print or more traditional advertising delivery methods. The MSRB has indicated that it may develop guidance to assist MAs with the application of the rulemaking with social media platforms. We strongly suggest that the SEC not approve this rulemaking until the MSRB provides greater clarity within the proposed rulemaking as well as provide guidance prior to its effective date about the application of the advertising rules to MA firm web sites and use of social media. We are not aware of any reason why such guidance cannot be prepared in conjunction with the rulemaking.

In its submission to the SEC, the MSRB stated that "no additional guidance is needed regarding the use of social media by a dealer or municipal advisor at this time" since the rules apply regardless of how the advertisement is disseminated (footnote 123). NAMA finds this to be a curious position since FINRA felt it appropriate to provide guidance to its members on digital communications, including social networking, in April 2017 – it is not clear why municipal dealers or municipal advisors are less in need of guidance. Instead, we argue that due to the

frequent use of these vehicles and the fact that they are newly incorporated into business practices and rule application, the MSRB should provide further clarification and guidance in order to assist with compliance with the rulemaking, which should be a chief goal for all parties. Waiting for the MSRB to provide guidance only after a rule is in effect is counter to the notion of assisting regulated entities to achieve compliance with MSRB rules.

In addition to developing ways for MAs to know how the advertising rules apply to Firm web sites and social media presence (including whether or not client lists and case studies may be used), the rule and guidance should explain how a firm principal is to document that they have reviewed these items. Further guidance in this area is needed as web pages may change frequently for reasons other than content-related and to ensure that MA firms are properly developing written documentation for electronic-only platforms such as tweets or LinkedIn postings.

Subjective Phrasing in the Rulemaking

There are numerous areas in the rulemaking that continue to contain very subjective rather than objective phrasing. Such language invites multiple interpretations by MAs and examiners alike and should be avoided. Furthermore, the language mirrors that which was developed for municipal products and not services, which is both unnecessary and confusing. In particular, in section (a)(iv), Content Standards, the language should be removed and replaced as noted in NAMA's Attachment A to its March 24, 2017 letter, which is attached to this letter.

RFP/RFQ

The revised proposed rulemaking that the MSRB has submitted allows for responses to RFPs to be exempt from being considered advertising because they are treated as reaching a single entity, not the multiple individuals who view it, and thus are not viewed as sent to more than 25 persons. We however, continue to ask that the MSRB specifically state that RFP and RFQ responses are excluded from being considered advertising. In particular, Rule G-42(e)(i)(C) specifically regulates the key concerns that can arise in responses to RFPs and RFQs, and therefore no benefit is gained by requiring a municipal advisor to rely on a technical aspect of Rule G-40 to confirm that duplicative regulation does not apply. The most direct and therefore most appropriate approach is to specifically exclude such responses.

Economic Analysis

Above we noted that the clarifications and refinements to this rulemaking should be made and interpretative guidance produced to assist MAs with implementation of and compliance with the rule. That is especially true for small MA firms. The economic analysis provided by the MSRB does not reflect how a small MA firm should interpret the new responsibilities being placed on them or how a sole practitioner firm must sign off on documents that they themselves develop, nor does the analysis reflect the economic burden on small firms with having this new rule become effective on top of the suite of rulemaking that has come to fruition over the past few years.

The lack of analysis of the costs associated with rulemaking on small MA firms is longstanding, despite its requirement in the *Dodd Frank Act*. While perhaps somewhat understandable in connection with the first set of MA rules proposed by the MSRB years ago, before anyone had had any experience in meeting new MA requirements, by now the market would have expected the MSRB to have undertaken active research and analytic efforts and direct outreach to MAs to obtain the data it would need to provide a quantitative assessment of potential costs, rather than always relying solely on qualitative estimates based on inference rather than facts.

Conclusion

Our suggested changes to the proposed rulemaking would provide further clarity to the MA community, all without diluting the intent of the rulemaking to ensure that MAs do not misrepresent or misinform clients and the public about their services. We call on the SEC to not approve proposed Rule G-40 until the rulemaking is further refined and clarified as described and is accompanied by interpretative guidance especially in areas related to advertising and the use of web sites and social media.

We would welcome the opportunity to discuss with SEC staff and commissioners our comments about the advertising rule and any other matters related to municipal advisory work.

Sincerely,

Susan Gaffney
Executive Director

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[i] https://www.sec.gov/info/municipal/mun-advisors-faqs.shtml
[ii] http://msrb.org/~/media/Files/SEC-Filings/2018/MSRB-2018-01-Fed-Reg.ashx

NATIONAL ASSOCIATION OF MUNICIPAL ADVISORS

March 24, 2017

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, NW, Suite 1000
Washington, DC 20005

RE: MSRB Notice 2017-04

Dear Mr. Smith:

The National Association of Municipal Advisors (NAMA) appreciates the opportunity to respond to the MSRB's Request for Comment on Draft Rule G-40, Advertising by Municipal Advisors. NAMA represents Municipal Advisory Firms and Municipal Advisors (MA) from across the country and serves to promote and provide educational efforts, and assist its members navigate through the federal regulatory and municipal marketplace landscapes.

NAMA supports the general intent of the proposal to protect the public, and potential MA clients, from being misled by MA advertisements. However, this general point is already covered in Rule G-17 (Conduct of Municipal Securities and Municipal Advisory Activities - *In the conduct of its municipal securities or municipal advisory activities, each broker, dealer, municipal securities dealer, and municipal advisor shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice.*), making this present proposal unnecessary.

The unnecessary nature of the proposal is further underscored because the answer to the MSRB's question if MAs have any role "with the development or distribution of municipal security product advertisements, new issue product advertisements, and/or municipal fund security product advertisements" is "no." The proposed rulemaking contains many provisions that are framed for advertising of securities or "products" offered by underwriters and investment advisors to retail customers, rather than speaking to the *services performed* by municipal advisors to issuer clients.

It is also worth commenting that while respecting the MSRB's work and goals to regulate broker/dealers and municipal advisors impartially and in most ways equally to avoid harm to investors and issuers respectively, the need to automatically develop rules for MAs to mirror current broker/dealer rules should not be done just for the sake of doing so and is not proper rationale for regulation under the *Exchange Act*. While some MSRB Rules such as G-20 and G-37 certainly should apply in the same fashion to both broker/dealers and MAs, the proposed rules on advertising cannot be as easily applied to different types of professionals and actually creates a wholly unnecessary rule in the proposed Rule G-40.

Therefore, we respectfully request that the Proposed Rule G-40 be withdrawn as the same results of ensuring falsehood or misleading statements are not used in advertising for MA professional services can already be found in Rule G-17. The MSRB could further explore the application of advertising for MA services under Rule G-

17, with additional guidance or FAQs to ensure that MAs have a full understanding of the broad scope and reach of Rule G-17 related to the services that they offer and perform.

If the MSRB chooses to not withdraw proposed Rule G-40, then we would strongly suggest that significant changes be made to the proposal. First, there are numerous areas where clarifications are needed, as noted below. Second, the focus of the rulemaking should apply to professional advertisements for MA services. If the MSRB has identified any meaningful subset of MAs that advertise products, then a separate section should apply solely to product advertisements. We have noted below how the Rulemaking could be bifurcated to better acknowledge different types of advertising.

For further presentation of our comments, please see Attachment A, which provides a redline of the proposal with NAMA's suggestions.

Suggestions for Additional Exclusions and Clarifications

SEC Rule "General Information Exclusions" Should be Excluded from the Definition of Advertising. The items discussed in the clauses (a), (b), (d) and (e), of the "general information exclusions" listed in the MA Rule FAQ[i], should not be considered advertising within MSRB rulemaking, and be included as an exemption in section (a)(i):

- *(a)information regarding a person's professional qualifications and prior experience (e.g., lists, descriptions, terms, or other information regarding prior experience on completed transactions involving municipal financial products or issuances of municipal securities); (b) general market and financial information (e.g., market statistics regarding issuance activity for municipal securities or current market interest rates or index rates for different types of bonds or categories of credits); (c) information regarding a financial institution's currently-available investments (e.g., the terms, maturities, and interest rates at which the financial institution offers these investments) or price quotes for investments available for purchase or sale in the market that meet criteria specified by a municipal entity or obligated person; (d) factual information describing various types of debt financing structures (e.g., fixed rate debt, variable rate debt, general obligation debt, debt secured by various types of revenues, or insured debt), including a comparison of the general characteristics, risks, advantages, and disadvantages of these debt financing structures; and (e) factual and educational information regarding various government financing programs and incentives (e.g., programs that promote energy conservation and the use of renewable energy).*

RFPs/RFQs Should Be Excluded from the Definition of Advertisements. The Rule should make clear that responses to RFPs, RFQs, and similar types of documents do not fall into the advertising category. While the Notice refers to this notion, the proposed rule does not encompass all types of responses an MA may provide to an issuer's request, and these should be a specific exemption within the Rule itself, in (a)(i).

Client Lists Should Be Excluded From the Definition of Advertisements, per SEC Guidance for Investment Advisors. The SEC has stated that client lists may be used within certain parameters, for Investment Advisors. We request that the MSRB allow client lists to be used by MAs in accordance with this guidance.

- *The staff has stated that an advertisement that contains a partial client list that does no more than identify certain clients of the adviser cannot be viewed either as a statement of a client's experience with, or endorsement of, the investment 206(4)-1(a)(5) depending on the facts and circumstances.* (https://www.sec.gov/investment/im-guidance-2014-04.pdf)

Testimonials Should Be Defined as Noted in the SEC No Action Letter Related to this Same Issue for Investment Advisors.

- *See DALBAR, Inc., SEC No-Action Letter (pub. avail. Mar. 24, 1998) ("Although the term 'testimonial' is not defined in Rule 206(4)-1, we consistently have interpreted that term to include a statement of a client's experience with, or endorsement of, an investment adviser.").*

Case Studies Should be Excluded from the Definition of Advertising. We request that Case Studies bearing factual information, without discussion by a client of experience with or endorsement of an MA, should be permissible. This would allow MAs to provide information about their experiences in the MA services field to assist with the public's and potential client's understanding of their background.

Specific Guidance Needed Related to the Application of the Rulemaking for MA Firm Websites. Most MA Firms do not use common forms of advertising but rather use web sites to explain and promote their services. FAQs or guidance on how Rule G-40 would apply to this most commonly used platform, would be essential to ensure compliance with the rulemaking.

Specific Guidance Needed for Use of Social Media Platforms. The MSRB should also provide guidance or FAQs on how the proposed rule would apply to the use of "LinkedIn" and other social media platforms.

General Guidance on the Application of Rule G-40 on Advertisements of Professional Advertisements for MA Services. In addition to the two areas notes above where specific guidance is necessary, the MSRB should also develop more general guidance on the application of the Rule to professional advertisements for MA services.

(iv) Content Standards

Delete Provision Already Covered in MSRB Rule G-17. Most of the language in the Content Standards section of the proposal is repetitive to the overriding principle that MAs must not provide misleading information to the public, which is part of MSRB Rule G-17. Therefore, we suggest that (A) be deleted from this proposal.

There Should Be a Clear Separation Between Content Standards of Product Advertising and Professional Services Advertising. Due to the fact that the clear majority of MAs do and would only conduct professional services advertising, the rule should be written in a manner that creates clear standards for those types of advertisements.

- Sections (D), (E), and (F) are related to products, and would be difficult to apply to the types of services performed by MAs, and therefore should only be included as content standards for products. For example -
  - (D) MA must "…provide balanced treatment of risks and potential benefits…"
  - (E) MA must consider "….nature of the audience…"
  - (F) "Advertisement may not predict or project performance…"
- Sections (B), (C), (G) and (H) are related to both products and services, and should be included in the content standards for both, but redrafted to eliminate overlapping and confusing language.

MAs Should be Allowed to Indicate SEC Registration in Addition to MSRB Registration. In section (H), the MSRB states that a MA may indicate MSRB registration that complies with certain standards noted in that section. We suggest that SEC registration be added to this section.

General Comments

In addition to the specific comments noted above related to the proposal, it is also important to note that the MSRB should consider the costs that MAs will incur to comply with this rulemaking, especially small MA firms. This consideration is a requirement of the *Exchange Act*. As written, the proposed rulemaking includes overlapping and confusing content standards for professional and product advertising that will especially raise the cost of compliance for small MA firms because examiners require the development of policies and procedures even for rules that do not apply to the MA.

Finally, while again we do agree with the MSRB that MAs should not engage in advertising that is misleading or provides inaccurate information to potential clients, and that objective criteria should always be used by issuers in hiring municipal bond professionals, we do not agree that these rules would significantly "improve the selection of MAs" by issuers. This sentiment seems to overemphasize both the use of advertising by the MA community and the issuer's reliance on advertising in their decision-making process. We believe it is unlikely that most issuers hire an MA for their services based on an advertising, but rather are far more likely to use an RFP/RFQ process to choose an MA. By dispelling this notion promoted in the Notice, we again use that as an example as to why new rulemaking on advertising is unnecessary, and the same goals can be achieved by referencing MSRB Rule G-17, and providing targeted guidance related to the application of Rule G-17 to professional services advertising used by MAs.

Thank you again for the opportunity to provide comments on this issue. Please feel free to contact me if I can provide you with any additional information or answer any questions about NAMA's response to proposed rule G-40.

Sincerely,

Susan Gaffney
Executive Director

[i] See Registration of Municipal Advisors Frequently Asked Questions – Office of Municipal Securities, 5/19/14, page 3, https://www.sec.gov/info/municipal/mun-advisors-faqs.pdf

(a) *General Provisions*.

(i) *Definition of "Advertisement."* For purposes of this rule, the term "advertisement" means any material (other than listings of offerings) published or used in any electronic or other public media, or any written or electronic promotional literature distributed or made generally available to municipal advisory clients or the public, including any notice, circular, report, market letter, form letter, telemarketing script, seminar text, press release concerning the services of the municipal advisor, or reprint, or any excerpt of the foregoing or of a published article. The term does not apply to preliminary official statements, official statements, preliminary prospectuses, prospectuses, summary prospectuses or registration statements, responses to requests for proposals, responses to requests for qualifications or similar documents, client lists[i] and case studies, but does apply to abstracts or summaries of the foregoing and other such similar documents prepared by municipal advisors. Furthermore, the term does not apply to the items discussed in the clauses (a), (b), (d) and (e), of the "general information exclusions" listed in the MA Rule FAQ (https://www.sec.gov/info/municipal/mun-advisors-faqs.shtml).

(ii) *Definition of "Form Letter."* For purposes of this rule, the term "form letter" means any written letter or electronic mail message distributed to more than 25 persons within any period of 90 consecutive days.

(iii) *Definition of Municipal Advisory Client.* For the purposes of this rule, the term municipal advisory client shall include either a municipal entity or obligated person for whom the municipal advisor engages in municipal advisory activities as defined in Rule G-42(f)(iv), or a broker, dealer, municipal securities dealer, municipal advisor, or investment adviser (as defined under section 202 of the Investment Advisers Act of 1940) on behalf of 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.

(iv) *Content Standards for Product Advertising*.

~~(A) All advertisements by a municipal advisor, must be based on the principles of fair dealing and good faith, must be fair and balanced, and must provide a sound basis for evaluating the facts in regard to any particular municipal security or type of municipal security, municipal financial product, industry, or service.~~

(B) No municipal advisor may make any deceptive, dishonest or unfair ~~false, exaggerated, unwarranted, promissory or misleading~~ statement or claim in any advertisement which includes exaggerated or misleading statements or claims.

(C) A municipal advisor may place information in a legend or footnote only in the event that such placement would not inhibit a municipal advisory client's understanding of the advertisement.

(D) A municipal advisor must ensure that statements are clear and not misleading within the context in which they are made, and that they provide balanced treatment of risks and potential benefits. An advertisement must be consistent with the risks inherent to the municipal financial product or the issuance of the municipal security.

(E) A municipal advisor must consider the nature of the audience to which the advertisement will be directed and must provide details and explanations appropriate to the audience.

(F) An advertisement may not predict or project performance, imply that past performance will recur or make any exaggerated ~~or unwarranted~~ or misleading claim, opinion or forecast; provided, however, that this paragraph (a)(iv)(F) does not prohibit:

(1) A hypothetical illustration of mathematical principles, provided that it does not predict or project the performance of a municipal financial product; and

(2) An investment analysis tool, or a written report produced by an investment analysis tool.

(G) A municipal advisor shall not, directly or indirectly, publish, circulate or distribute any advertisement which refers, directly or indirectly, to any testimonial[i] of any kind concerning the municipal advisor or concerning the advice, analysis, report or other service rendered by the municipal advisor.

(H) A municipal advisor may indicate registration with the Municipal Securities Rulemaking Board and the Securities and Exchange Commission in any advertisement that complies with the applicable standards of all other rules of the Board and SEC and that neither states nor implies that the SEC or Municipal Securities Rulemaking Board or any other corporate name or facility owned by the SEC or Municipal Securities Rulemaking Board, or any other regulatory organization endorses, indemnifies, or guarantees the municipal advisor's business practices, services, skills, or any specific municipal security or municipal financial product.

~~(v) *General Standard for Advertisements*. Subject to the further requirements of this rule relating to professional advertisements, no municipal advisor shall publish or disseminate, or cause to be published or disseminated, any advertisement relating to municipal securities or municipal financial products that such municipal advisor knows or has reason to know contains any untrue statement of material fact or is otherwise false or misleading.~~

(b) *Professional Advertisements*.

(i) *Definition of "Professional Advertisement."* The term "professional advertisement" means any advertisement concerning the facilities, services or skills with respect to the municipal advisory activities of the municipal advisor or of another municipal advisor.

(ii) Content *Standard for Professional Advertisements*~~. No municipal advisor shall publish or disseminate, or cause to be published or disseminated, any professional advertisement that contains any untrue statement of material fact or is otherwise false or misleading.~~

(A) No municipal advisor may make any deceptive, dishonest or unfair statement or claim in any advertisement which includes exaggerated or misleading statements or claims.

(B) A municipal advisor may place information in a legend or footnote only in the event that such placement would not inhibit a municipal advisory client's understanding of the advertisement.

(C) A municipal advisor shall not, directly or indirectly, publish, circulate or distribute any advertisement which refers, directly or indirectly, to any testimonial of any kind concerning the municipal advisor or concerning the advice, analysis, report or other service rendered by the municipal advisor.

(D) A municipal advisor may indicate registration with the Municipal Securities Rulemaking Board in any advertisement that complies with the applicable standards of all other rules of the Board and that neither states nor implies that the Municipal Securities Rulemaking Board or any other corporate name or facility owned by the Municipal Securities Rulemaking Board, or any other regulatory organization endorses, indemnifies, or guarantees the municipal advisor's business practices, services, skills, or any specific municipal security or municipal financial product.

(E) A municipal advisor shall not, directly or indirectly, publish, circulate or distribute any advertisement which refers, directly or indirectly, to any testimonial of any kind concerning the municipal advisor or concerning the advice, analysis, report or other service rendered by the municipal advisor.

(c) *Approval by Principal*. Each advertisement subject to the requirements of this rule must be approved in writing by a municipal advisor principal prior to first use. Each municipal advisor shall make and keep current in a separate file records of all such advertisements.