

From: [Matthew Guerrise](#)
To: [FiduciaryRuleExamination - EBSA](#)
Subject: DOL FIDUCIARY RULE REQUEST FOR COMMENT [Docket ID number: EBSA-2017-0004]
Date: Wednesday, August 02, 2017 10:52:18 AM

Dear Sir or Madame:

In response to question 12. ***Are there ways in which the Principal Transactions Exemption could be revised or expanded to better serve investor interests and provide market flexibility? If so, how?***

Please consider expanding the eligible securities list of the PTE to include (taxable) municipal securities.

Although the principal transaction exception was amended to allow brokers to recommend liquidations of positions in municipal bonds, the exception should include municipal bonds as eligible for buy recommendations as well. According to Moody's research report dated 3/7/12 ,40 years of market data has shown that municipal securities have a lower default rate than corporate counterparts and are second only to US Government issued securities in terms of risk.

Restricting a brokers ability to recommend these securities is both detrimental to their customers investment objectives as well as the liquidity of the municipal market.

Regards,

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