



## **2015 BDA National Fixed Income Conference**

### ***Recap of Events***

The BDA's National Fixed Income Conference is the premier business event of the year for fixed income leadership at middle-market securities dealers and banks with a primary focus on the U.S. markets. The conference featured regulators and practitioners who discussed the highest priority issues facing the taxable and municipal fixed income markets.

***We're happy to report record turnout in terms of attendees, sponsors and exhibitors. The BDA welcomed 200 conference attendees from 76 firms headquartered nationwide.***

Attendees were given an opportunity to have candid discussions with regulators from FINRA, MSRB, and the SEC during panel discussions and at networking events. Regulators addressed BDA's outstanding, high-priority advocacy items and entertained questions about "what's next?" for U.S. securities firms.

You can view the full conference agenda [here](#).

#### **Day 1: Thursday, October 8th**

**Opening Remarks: BDA Board of Directors Chairman, Steve Genyk of Janney Montgomery Scott** opened the conference and provided remarks which focused on the following:

- **The role of the middle market firm.** The critical role played by BDA firms that serve the middle market, work with growth companies, small and medium sized issuers and ultimately serve their communities
- **The unprecedented regulatory trends.** The negative impact on the market generally, not just for middle-market firms, but for issuers and investors alike
- **The importance of the BDA.** BDA works with members and working groups to create market documents, educates Members of Congress, hosts industry

roundtables and webinars, and organizes direct meetings with top-level regulators on a host of topic throughout the year

**Keynote Address:** In the keynote address, **Warren Stephens, Chairman, President & CEO of Stephens Inc.** spoke about the challenges currently facing middle-market and regional securities firms, especially related to federal regulation and challenging business conditions. Following his remarks, Mr. Stephens sat down with Tom Dannenberg, CEO of Hutchinson, Shockey, Erley & Co. for a candid discussion about the opportunities and challenges ahead for main street securities firms, their clients, and the markets generally.

**Market Trends and Electronic Trading:** Next, **Rick McVey, Chairman & CEO of MarketAxess** discussed the future of taxable markets including the role played by all-to-all platforms and trends in taxable market ownership and liquidity. You can find a copy of the powerpoint presentation [here](#).

### **Panel Discussions:**

#### **Fixed Income Market Regulation and Enforcement:**

The panel was moderated by Chris Melton, EVP, Legal & Compliance at Coastal Securities and focused on enforcement initiatives and examination priorities, the MA rule and proposed rule G-42, proposed rule G-37 on "pay-to-play" for municipal advisors, and the new best execution rule and guidance for municipal securities.

#### Panelists:

- Chris Melton, EVP, Legal and Compliance, Coastal Securities, Inc.
- Cindy Friedlander, Director, Fixed Income Regulation, Regulatory Operations, FINRA
- Robert Fippinger, Chief Legal Officer, MSRB
- Jessica Kane, Director, Office of Municipal Securities, SEC

The conference then broke into two tracks: municipal and taxable to cover a variety of high priority regulatory and market issues.

#### **The Municipal Market Track:**

##### **Market Conditions, Regulation, and Challenges Facing the Issuer Community:**

This panel focused on disclosure policies and procedures and how MCDC impacted issuer and underwriter due diligence, the impact of the MA rule, proposed issue price regulations, and the current low yield environment.

Panelists:

- Dan Deaton, Partner, Nixon Peabody
- Tom Metzold, MD, Head of Capital Markets, National Public Finance Guarantee
- Guy Yandel, EVP and Head of Municipal Finance, George K. Baum
- B. Jonas Biery, Business Services Manager, City of Portland, Oregon

### **Municipal Credit and Market Analysis:**

This panel focused on general credit conditions in the municipal market, how regulation has impacted market liquidity, and the role of the middle-market dealer as a liquidity provider.

Panelists:

- Matt Fabian, Partner, Municipal Market Analytics
- Linda Matkowski, Executive Vice President, Fixed Income Capital Markets Manager, City Securities Corporation
- Suzanne Finnegan, Chief Credit Officer, Build America Mutual

### **Municipal Market Structure, Liquidity and Opportunities for Middle-Market Securities Firms:**

This panel focused on secondary market trading, market liquidity concerns, declining size of dealer balance sheets, and challenges associated with the low yield environment.

Panelists:

- John Hallacy, Managing Director, Assured Guaranty
- Kevin Strom, Senior Managing Director, Head of Capital Markets, Ziegler Capital Markets Group
- Bill Vulpis, Head of KCG Bondpoint
- Mark Mesinger, Vice President, Charles Schwab

### **The Taxable Market Track:**

#### **Trends, Developments, Market Structure and the future of Trading in the Taxable Fixed Income Markets:**

This panel focused on U.S. fixed income market structure, the role of electronic trading, the outlook for all-to-all and RFQ platforms, the future role of the dealer, and the specific credits that actively trade on electronic platforms.

Panelists:

- Moderator: Chris White, CEO, ViableMkts, LLC
- Dan Leland, Managing Director, Hilltop Securities
- Richard Schiffman, Open Trading Product Manager, MarketAxess
- Stephen Gallagher, Head of U.S., Algomi

### **Credit Market Outlook:**

Rich Gordon, Managing Director, Fixed Income Market Strategist, Wells Fargo Securities

Presentation: ["Risk Markets Limp Into the Fourth Quarter"](#)

Rich Gordon discussed recent market, credit, and economic trends, volatility in international financial markets and economies, and discussed the outlook for the Federal Reserve to raise interest rates in the near term.

### **Managing Liquidity Risk in Taxable Fixed Income:**

This panel focused on current challenges in taxable market liquidity. Panelists discussed current market conditions, whether current liquidity conditions are a product of regulation, monetary policy, changing credit risks for certain segments of issuers, managing retail liquidity risks, and the role of electronic platforms in liquidity constrained markets.

Panelists:

- Moderator: Robin Budd, Director of HY Electronic Trading, Wells Fargo Securities
- Rob Nash, Managing Director, Taxable Fixed Income, Hilltop Securities
- Sean Ladley, Managing Director, Wells Fargo Securities
- Jim Wangsness, President, TMC Bonds

**Cocktail Reception:** We concluded the first day of the conference with a networking and cocktail reception.

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## **Day 2: Friday, October 9th**

### **Dealer Breakout Sessions: Retail and Institutional Discussions**

Immediately following breakfast, we hosted dealer-to-dealer breakout sessions in which conference attendees had the opportunity to discuss institutional and retail topics including:

- Markup & Pricing Reference Disclosure Proposals
- The Department of Labor's Fiduciary Duty Proposal
- FINRA's Future Guidance or Rule for Extended Settlements
- The SEC's MCDC Initiative
- The SEC's Municipal Advisor Rule & the MSRB's Regulatory Regime
- FINRA Margin Amendments for TBA trades
- TRACE Expansion and Market Liquidity Concerns
- Best Execution

## **Friday General Session**

### **Risk Management Panel:**

This panel focused on three crucial risk management areas: natural disaster risk and contingency planning, emerging cyber risk, and managing fixed income inventory risk.

Panelists:

- Chris Melton, EVP, Legal and Compliance, Coastal Securities, Inc.
- Erica Willems, Senior Vice President, Robert W. Baird & Co.
- Blake Morris, Chief Compliance Officer, Hilltop Securities.

### **Washington, D.C. Policy and Politics:**

This panel focused on politics and policy in Washington, D.C. in which panelists opined on current leadership elections in the House, the race for the Presidency, a discussion of the status of tax reform and the overall impact on municipal finance.

Panelists were:

Panelists:

- Chuck Samuels, Partner, Mintz Levin
- John Di Stasio, President, Large Public Power Council
- Danielle Osler, Senior Advisor for Business Affairs, U.S. Senator Michael F. Bennet

In addition to the annual conference, the BDA held a Fixed Income Legal & Compliance roundtable the afternoon prior to the conference which provided an opportunity for candid discussion and information sharing among fixed income legal and compliance leadership at BDA member firms. You can view the roundtable agenda [here](#).

BDA's new Technology and Operations Committee also met for a closed-door session in which committee members discussed:

- Communications tools and platforms
- Changes in new platforms coming to market
- Opportunities for middle market dealers
- FINRA TBA Margin Amendments and more

**\*Please be on the lookout for a survey requesting feedback about this year's conference so that we can incorporate any comments into next year's event. Additionally, don't hesitate to contact us if you have any questions or comments or need additional information on the BDA.**

Thanks again to the many sponsors and exhibitors at this year's conference.

**OUR SPONSORS INCLUDE**



Thank you again for your continued support and feel free to contact the BDA with any questions.

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