



C.L. "BUTCH" OTTER
Governor

GAVIN M. GEE
Director

February 21, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

RE: SEC Release No. 34-63576

Dear Ms. Murphy:

Thank you for the opportunity to comment on the above referenced release (“Release”) of the Securities and Exchange Commission (“SEC”). As a member of the Idaho Endowment Fund Investment Board (the “EFIB” or “Board”), I am writing to express my concern that the proposal’s definition of a “municipal advisor” encompasses appointed members of state and local government governing bodies as financial advisors.

The SEC’s proposed rule correctly exempts elected members, elected ex-officio, and employees of a municipal entity’s governing board from the definition; however, under the proposed rule, non-elected (appointed) members of a governing board would have to register with the SEC and meet various regulatory requirements set forth by both the SEC and the MSRB, including registration requirements and fees, federal fiduciary standards, federal securities law liabilities, and federal financial disclosure standards.

I urge the SEC to exclude all governing body members and the employees of appointed bodies, including those who serve across jurisdictional boundaries, from the municipal advisor definition. Appointed members of governing bodies, especially at the local level, typically are citizen volunteers who are interested in serving for the public good. They often have a special expertise that is critical to the effective functioning of the governing body. The appointing authority is in the best position to determine the requirements needed for individuals serving on its local governing boards. If the expertise of a “municipal advisor” is needed, the appointing authority can require that. However, if not needed, individuals will be discouraged from serving on state and local governing boards if unnecessary federal regulations are imposed upon them.

As a member of the EFIB, I serve as a trustee of the funds the Board manages. Idaho law sets forth specific qualifications for Board members; it also imposes fiduciary standards on EFIB members and the board is mindful of those duties as it oversees the funds. In addition, the Idaho

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laws concerning conflicts of interest, gifts and gratuities, open meetings, and public records apply to EFIB members.

We believe that if Congress had intended for appointed members of governing bodies to be included within the municipal financial advisor definition, it would have made this point clear in the statute. By excluding all governing body members and the employees of appointed bodies from the municipal advisor definition, we can be assured of retaining the expertise our board needs to make important decisions for our constituents.

Thank you for the opportunity to comment on this important proposal.

Sincerely,



GAVIN M. GEE
Director, Idaho Department of Finance
Board Member, Idaho Endowment Fund Investment
Board

GMG/sw