

From: Debbie Arnold
Sent: Monday, March 21, 2011 5:00 PM
To: Muni Field Hearings
Subject: Muni comments for SEC meeting

To whom it may concern,

I am an individual investor, female, retired at 57. I have 1.6 million dollars invested in both Tax Free muni's and a couple of BAB's. I started purchasing muni's in 2006.

Six months before I retired my financial advisor at Wells Fargo recommended I place 80 % of my nest egg in a Franklin Templeton muni fund. She placed half in a regular

tax free bond fund and the other half in High yield. This was June of 2008. I wanted individual bonds but she said this was better. I should have listened to my gut.

Of course, you know what happened in Sept. of '08 with the collapse of the markets the bond funds lost 20% of their value. I sold both bond funds after they lost \$58,000

which was bad. Had I not sold Sept. 25th I would have lost \$350,000. What was even worse...I had to pay fees of 1% to Franklin Templeton to access my money or wait 18 months

for no fee. This is fraud in my opinion. The banks & the investment firms keep hard working Americans money, charging them fees when they make 4% interest on my hard earned

retirement money.

Enter 2009, 2010. I am retired and I need income from my assets to live on. I purchase 35 individual Bonds 90% are AA+ or better. All insured by the credit agencies and most

of the bonds had strong underlying ratings as well. I have a wonderful main bond specialist who spent hours with me understanding what my risk tolerance was and

stuck with only High Quality bonds. I currently have \$1.6 million AUM with FMS Bonds, Inc.

Enter 2011. Many of my AAA bonds are now AA and some are BBB. What is a person to do to provide safe income when retired anymore?? The Fed is keeping short

term rates low so CD's pay nothing. I am not selling my main's but I am not purchasing anymore until the SEC can resolve four concerns.

1. More price transparency. Especially in the secondary market.

2. Fix the credit rating agencies...My recommendation-Must have a third party validate the rating. Never allow the issuer to pay the agency direct for their rating. Last

I heard - clear violation and CONFLICT OF INTEREST! Once again, they make fees and commissions and we get potential downgrades or default.

3. I like the BAB program as it helps States during the recession. That said, the Government should only fund infrastructure, Education and Hospitals. The States need to

make the hard choices when it comes to Pensions. The fact is they know what they need to do.

4. All bond investors have access to Emma.org. I used this to look up all the disclosure statements prior to purchasing my bonds. It is also where you find the most recent

upgrades or downgrades. I would like to see full disclosure and require any financial advisor, specialist or broker be REQUIRED to alert investors of any downgrade

immediately. I know they have access as but the Big Banks do NOT alert you or update my bond holdings rating. I have to look them up! FMS bonds, INC where I hold the

Majority of my bonds update every bond monthly. As good as they are...I think all institutions should show the current up to date price of the bond as well as the

most current rating Daily! It's the right thing to do and until this happens I won't purchase any future bonds!

Last but certainly not least. I keep hearing from the Fed and Treasury that they WILL NOT HELP any State that may default. I don't like bailouts but we always do it

when it there could be systemic risk. If the Muni world falls apart like Meredith Whitney predicts Please Keep the individual investor in mind. I know you could

provide a bridge loan with provisions for each State and local get. to create a plan of action to reduce their debt and live within their means until this recession is over.

I have \$400,000 more I would love to invest in long term main's. Fix the aforementioned and you will see a much stronger and more confident main investor.

As a private citizen who is concerned that after 40 years of hard work I run the risk of losing some or all of my retirement deeply concerns me. I have never

invested for the 10, 12 or 20% returns. Ever! In some small way, I felt proud that if I invested in States and local municipalities and they paid me 4 or 5% it

was a win-win.

Debbie Arnold