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August 10, 2018

Honorable Commissioner Kara M. Stein  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Dear Commissioner Stein,

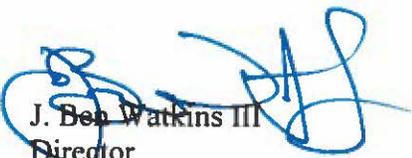
Thank you very much for meeting with me a few weeks ago regarding disclosure in the municipal securities market. As we discussed, I have an entirely different view from what I expect you will hear from SEC staff and other regulators. Having spent over 30 years practicing in the muni space, I have witnessed significant improvements in primary and secondary market disclosure and the availability of information to analysts and investors. GFOA has been at the forefront of advocating for improved disclosure through its "Best Practices" and issuer education. With the development and future enhancements of the MSRB's Electronic Municipal Market Access System (EMMA) and the use of technology generally through issuer websites and vendor platforms, technology will be used increasingly to make information available to the marketplace in a cost effective and efficient manner without the need for federal mandates.

The muni market has made significant changes and improvements over the years, not because of regulatory mandates but despite them. Voluntary and collaborative initiatives with stakeholders in the muni space (issuers, analysts, investors, bond lawyers, industry trade associations, etc.) have been catalysts for improvements in market practices. Dialog and informal working groups among seasoned industry professionals have contributed greatly to enhanced disclosure for credits in various sectors, pensions and most recently bank loans. This is a model that has proven to be successful in tackling thorny issues with competing interests. I suggest you encourage SEC staff, including the Office of Municipal Securities, to engage more actively, both formally and informally, with seasoned industry professionals in evaluating/addressing any regulatory issues involving the muni market.

The SEC's approach to regulating muni market disclosure practices in recent years has been misguided. Recently the SEC used an industrywide enforcement action, MCDC, to change market practices regarding diligence on continuing disclosure compliance. This approach disrespected the traditional State/Federal intergovernmental comity that should exist and was extraordinarily time consuming and expensive. This could have been accomplished without heavy-handed enforcement. Also, the SEC Rule on municipal advisors is overly complex to

implement a simple concept of protecting municipal issuers. Lastly, the proposed rule requiring bank loan disclosure is overly broad and will have unintended consequences resulting in less meaningful information being provided to the marketplace. These situations are recent examples that could have been addressed more efficiently and effectively with targeted and tailored solutions. However, this requires outreach and collaboration with industry stakeholders in formulating solutions to regulatory issues. I stand ready to assist in any way I can but the leadership on changing how the SEC has approached its regulatory role in the muni market must come from the Commissioners. Thank you for your consideration and please let me know how I can help.

Sincerely,



J. Ben Watkins III  
Director  
Division of Bond Finance