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Vice President

December 9, 2019

Securities and Exchange Commission
100 F Street NE
Washington D.C. 20549-1090

Dear Secretary;

Thank you for the opportunity to comment on Proposed Exemptive Order Granting a Conditional Exemption from the Broker Registration Requirements of Section 15(a) of the Securities Exchange Act of 1934 for Certain Activities of Registered Municipal Advisors (“MA”).

Speer Financial, Inc. (“Speer”) was founded in 1954 as an Independent Financial Advisory Firm when Paul Speer recognized the need for municipal entities to be represented by a firm without an inherent conflict of interest. Speer has been providing un-biased advice to our clients ever since out of our Chicago, IL and Waterloo, IA offices. Of our twenty total employees between both offices, twelve employees are MA’s, per the MSRB Series 50 examination.

Speer supports the proposed exemptive order by the SEC and believes that this exemption could help not only our municipal entity clients, but others around the nation in saving time and money in their bank placement transactions. As you know, each MA firm may offer different types services, dependent on the make-up of the firm, clients, and state they advise in. We believe the SEC’s attention to this matter will allow each MA nationwide to operate as an MA in the truest sense.

Our goal at Speer is to ensure that the municipal entities we work with understand the transaction we are providing advice on, and strive to provide them the opportunity to enter into the lowest cost method of financing. In some instances that low cost financing is in the form of a direct placement or bank loan. Speer’s fiduciary duty under our current MSRB Rule G-42 should afford us the opportunity to serve our client’s needs on these bank placements or direct loans. We recognize the need for a placement agent from time to time on these types of bank loan transactions but feel that without the proposed exemptive order we are limited by regulation in providing cost effective access to these transactions, in certain circumstances.

A recent private placement transaction in one of our offices used a placement agent, following current guidelines, so the placement agent could solicit proposals from banks for one transaction related to a current refunding opportunity for a municipal entity. The fee charged by the placement agent was 0.6% of a \$5,000,000 placement, resulting in a fee of \$30,000. The overall cost of issuance for this transaction doubled based solely on that placement fee. A request was made to the placement agent by Speer and the entity to reach out to local banks. As final proposals were received a quick response of “no local banks provided proposals” by the placement agent was given, and we feel that if Speer could have participated in the solicitation of proposals we could have worked to see if local participation would have brought down any costs or interest rates. Speer advised the municipal entity on the bank proposed interest rate and other terms of the transaction but had to explain to the client why they must pay another firm to solicit proposals for a \$30,000 fee, which could have resulted in a smaller par sizing and greater net present value savings to the municipal entity.

Our office in Iowa could also benefit from this exemptive order on some small transactions for small municipal entities issuing between \$100,000 to \$500,000 at a time. The proposed order would allow Speer to solicit one qualified bank (local or regional) providing the lowest cost financing method for these small entities. We would be able to provide these banks with the proposed disclosures about how Speer solely represents the municipal issuer and enables us to provide that issuer with our full level of services.

Small transactions are frequently advised on in Speer's Chicago, Illinois office as well. The municipal entities being advised by Speer in these issues are generally issuing bonds for less than \$1 million and for terms less than five years to support ongoing capital programs. On these issues, every dollar that can be raised within the Client's borrowing limitation is important to the issuer, making these issues very sensitive to increased fees. The issues are generally sold through a bid process to local or regional banking institutions and awarded to the bank that provides the lowest interest rate. The purchasers execute an investor letter and complete all of their own due diligence regarding the credit. Speer, as advisor, does not negotiate specific terms with any bank, but advises the its municipal entity client as to the bids received and recommends acceptance of the best bid, as appropriate, taking into consideration any specific terms of the financing proposed to the issuer. The proposed exemptive order would provide great clarity in these situations that a placement agent is not needed. Should a placement agent be required on these transactions, in many cases the additional fee may cause some issuers to contemplate moving forward without the advice of a municipal advisor, in order to save on transaction fees. We feel strongly that this would ultimately hurt our municipal entity clients and do not believe that this outcome is the intent of the Commission.

Speer has always had the best interest of the municipal issuer at mind when providing advice, and believes this exemptive order would allow us to more effectively do our job. We believe sound advice is the key to our role in the entire municipal market.

Thank you again for the opportunity to provide comments on Proposed Exemptive Order Granting a Conditional Exemption from the Broker Registration Requirements of Section 15(a) of the Securities Exchange Act of 1934 for Certain Activities of Registered Municipal Advisors ("MA").

Sincerely,

SPEER FINANCIAL, INC.



Daniel Forbes, President
Speer Financial, Inc.