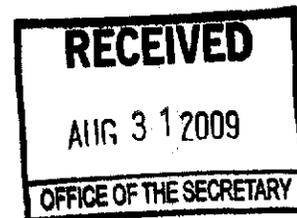


James J. Reilly



August 24, 2009

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



Dear Ms. Murphy,

Re File Number: S7-18-09
Re Rule 206(4)-5 "Pay to Play" Restrictions

I applaud SEC efforts to eliminate "pay to play" as it relates to public pension plans. The proposed rule is comprehensive and fair and if implemented should be effective.

I would like to see greater emphasis on prohibiting payments to political parties at the state and local levels because it is difficult or impossible to differentiate between the party and an individual (either in office or seeking office). As a result the political party receives contributions and directs the office holder or seeker to place investment services with the contributor.

This "pay to play" situation has been active in Chester County, PA. for a number of years as evidenced by the following articles (copies enclosed) that appeared in the Philadelphia Inquirer and written by Inquirer Staff Writer, Nancy Petersen.

- January 29, 2004 "Worst gets more pension fund"
- January 30, 2004 "Commissioners halt pension-fund deal"
- February 7, 2004 "Pension decision reaffirmed"
- February 9, 2004 "County pension fund playing catch-up"
- February 13, 2004 "Performance and politics of county pension fund"
- February 20, 2004 "Retirement panel spurns donor rules"
- March 19, 2004 "Chesco redirects pension money"
- November 19, 2004 "Pension plan without a consultant"
- February 11, 2005 "Pension fund has big gain for 2004"
- February 25, 2005 "Dinniman questions bond-counsel pick"
- March 30, 2005 "Pension board picks from past"
- May 25, 2005 "Advisors urge pension-fund changes"

- July 7, 2005 "Pension fund will see shift of \$12 million"

The current situation in Chester County has not changed and, as a result, the County's pension plan has lost tens of millions of dollars while the "pay to play" advisors have received millions of dollars in fees. Their political contributions, however, have been to the local controlling political party.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Smith", written in black ink.

PS: I am a retired senior financial manager of both NYSE and NASDAQ listed companies where I functioned as a Chief Accounting Officer and as a Chief Financial Officer. I am currently the Democratic candidate for Chester County (PA.) Controller.

Copyright material redacted. Author cites the above-noted newspaper articles from the Philadelphia Inquirer, written by Nancy Petersen.