
National Association of Independent Public Finance Advisors

c/o Ehlers & Associates, Inc.
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Securities and Exchange Commission

Re: File No. S7-19-10 (Interim Final Temporary Rules)

As requested in release No. 34-62824, the SEC has requested comments on a number of topics. The National Association of Independent Public Finance Advisors (NAIPFA) provides the following comments:

- A informal survey of our member firms found the registration process to work well. It was quick and seemed to cover appropriate areas of concern. We would ask that the SEC permanent registration process be coordinated with the MSRB registration procedures so there are coextensive rules and procedures. This would allow for one stop registration for both the SEC and MSRB. This will save municipal advisors both both time and duplication of effort.
- The definition of municipal advisor excludes a broker, dealer, or municipal securities dealer serving as an underwriter. We believe the SEC should provide direction to the MSRB on the types of underwriting activities that do not constitute providing advice so there is an understanding that any other type of advice requires the underwriter to comply with all rules and regulations of a municipal advisor.
- It was not confusing to supply SEC file numbers or CRD numbers
- The Commission should identify the following services that a municipal advisor provides to include: Municipal Financial Planning, Municipal Credit Advice, Continuing Disclosure, Arbitrage/Rebate Calculations, Utility Rate Adjustments, Leasing Transitions and cash flow projections that are used to determine financing feasibility.
- The Commission is seeking thoughts on defining “small business’ or “small organization’. NAIPFA believes that any reference to total capital is not an appropriate definition for a small municipal advisor. We would suggest that a starting point would be to use the total number of broker-dealers that can be overseen by one principal which we understand is eleven broker-dealers. While this is a starting point, we believe there should be other criteria. We are reviewing this matter and will be providing additional ideas on this criteria.

- NAIPFA is also aware of and has reviewed the comments provided by WM Financial Strategies concerning free services provided by underwriters. We agree with their comments. Any advisor who provides “free” service will be compensated at some point for this service. The service being rendered are the trigger for registration and the corresponding fiduciary duty, not the title of the relationship, the terms of the contract, or the compensation received. Such advisor should not be permitted to avoid registration and fiduciary responsibilities. As well, advisors that “volunteer” should not be exempt from registration.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, reading "Steve F. Apfelbacher", enclosed in a thin black rectangular border.

Steve Apfelbacher
President
National Association of Independent Public Finance Advisors