

**RANSON FINANCIAL CONSULTANTS, LLC
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February 17, 2011

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

Reference: File Number S7-45-10

Dear Secretary Murphy:

Ranson Financial Consultants, LLC ("Ranson")

Ranson is a financial advisory firm, specializing in public finance, located in Wichita, Kansas. Ranson is a fourth generation firm. Ranson and Company, Inc., an investment banking firm, was started by Mr. Sam Ranson in 1933. I joined Ranson and Company in 1984 as an analyst. In 1991, Mr. Sam Ranson wanted his employees to own the firm, but Mr. Ranson knew we could not afford to buy him out. Therefore, we created Ranson Capital Corporation, Inc. Mr. Ranson was very supportive in this endeavor. In 1993, I became manager of the public finance department. In 1995, Mr. Jack Ranson, son of Mr. Sam Ranson, left Ranson Capital Corporation, Inc. to create Ranson Municipal Consultants, LLC; the first financial advisory firm located in Kansas unattached to an investment banking firm. Jack believed there was conflict of interest when an underwriter was hired as a financial advisor, then resigned as the financial advisor to become an underwriter. I joined Jack in 1996. In 2002, I left Jack under the best of terms to create Ranson Financial Consultants, LLC; the only significant independent financial advisory firm domiciled and doing business in Kansas.

Small Municipal Advisor Exemption

In the Frank-Dodd bill (the "Act") it states that the law shall not create an undue burden for small financial advisors. On page 91 of Release No. 34-63576; File No. S7-45-10 (the "Release") the Security and Exchange Commission ("SEC") has adopted the definition of "small business" from the Small Business Administration ("SBA"). I quote, "The Small Business Administration ("SBA") defines small business for purposes of entities that provide financial investment and related activities as a business that had annual receipts of less than \$7 million during the preceding fiscal year and is not affiliated with any person that is not a small business or small organization. The Commission is using the SBA's definition of small business to define municipal advisors that are small entities for purposes of the RFA." I respectfully request that Ranson be exempted from the Act due to the burden it places on us as a small Municipal Advisor.

Ranson has three full time employees. I am the only one actively participating in financial advisory activity. In our history, we have never generated total revenue of \$1 million. This is obviously nowhere near \$7 million annually. Except for the past two years, annual gross revenue generated by Ranson has been significantly less than \$500,000. I will have spent over 20 hours reviewing the Act and writing this letter. Because of this, I have not even started on the multiple Municipal Securities Rule-Making Board ("MSRB") e-mails that I have received over the past few weeks. Ranson cannot afford a compliance officer to keep up with all of the rules or suggested rules coming out of the SEC and MSRB. One cannot simply try to discern what may or may not apply to us. We have to review everything. Our options may include joining another firm or simply go out business. Both ways, competition is reduced and the cost of borrowing for Kansas Municipalities increases. Investment banking firms doing business in Kansas would profit greatly if Ranson goes away. We would suggest that if a debt financing does not exceed a certain size or is of a certain nature, that a firm would not have to register as a Municipal Advisor.

Statutory Definition of "Municipal Advisor"

On page 19 of the Release, it states "Section 15B(e)(4)(A) of the Exchange Act, as amended by the Dodd-Frank Act, defines the term "municipal advisor" to mean a person (who is not a municipal entity or an employee of a municipal entity) (i) that provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues, or (ii) that undertakes a solicitation of a municipal entity." I have contacted representatives for both the SEC and the MSRB to obtain a definition of "structure, timing, terms and other similar matters concerning such financial products or issues." Representatives that I have contacted at the MSRB and SEC, generally speaking, have been prompt and congenial. However, a few times, the representative has been unable to answer my questions. For example, nobody seems to be able to define for me what is meant by "structure, timing, terms and other similar matters concerning such financial products or issues." How am I supposed to know if the Act applies to Ranson if nobody can define these terms for me? For now, let us assume that the Act applies to Ranson due to the fact that Ranson's primary function is to act as a financial advisor to Kansas municipalities. I will accept that for now (though, as described above we are too small for the Act to apply to us). What about other entities that have ties to public finance, but do not consider themselves as Municipal Advisors? How is that determination made without a clarification of this definition? My point is: if I am to be regulated then others that participate in municipal finance, either in a primary or secondary fashion, should be regulated, too. There should be a clear definition of what constitutes a financial advisor. What you have proposed is vague. It leaves much to interpretation. One does better when one knows what the rules are.

Engineers

On page 39 of the Release it states "The exclusion does not include circumstances in which the engineer is engaging in municipal advisory activities, including cash flow modeling or the provision of information and education relating to municipal financial

products or the issuance of municipal securities, even if those activities are incidental to the provision of engineering advice. In addition, the exclusion does not include circumstances in which the engineer is preparing feasibility studies concerning municipal financial products or the issuance of municipal securities that include analysis beyond the engineering aspects of the project and, therefore, an engineer preparing such studies would be subject to registration as a municipal advisor.” Ranson recommends that the definition of municipal financial products should include debt financing options besides investment options. To allow engineers to provide financing alternatives without the resulting cash flow requirements could result in another entity not registered with the SEC to estimate cash flow that an engineer could then utilize. For example, most engineers in Kansas recommend a United State Department of Agriculture (“USDA”) Rural Development loan for their projects. A representative from USDA, or a third party representative of USDA, could then estimate cash flow to be utilized by the engineer. What is the legislative intent of the Act or the goal of the SEC? If it is the intent or the goal is simply to prevent fraud, then it probably does not matter. But if the intent is to have municipalities obtain professional independent advice, then financial products also need to be defined as debt instruments, not just investment products, and third party representatives (which have a direct or indirect financial interest in the loan program it is promoting) of governmental (Federal, State or Local) loan programs also need to be defined as Municipal Advisors. Third party representatives will be further discussed below. **My primary function as a Municipal Advisor is providing Kansas municipalities financing alternatives. The structure, timing, terms and other similar matters concerning such financial products or issues is a very small part of my business. Not to regulate those entities providing debt financing options or who promote a specific debt financing option makes the Municipal Advisor portion of the Act a travesty, in my opinion.** In addition, how is the Commission going to advise engineers about the new limitations on their activities? In Kansas, they do not have a clue regarding the Act. Am I supposed to report them? That makes for a very poor relationship between professions.

Accountants

On page 37 of the Release, “Because accountants may provide advice to municipal entities that includes advice about the structure, timing, terms and other similar matters concerning the issuance of municipal securities, the Commission does not believe it is appropriate to exclude these professionals from the definition of municipal advisor entirely. Accountants may also be engaged by municipal entities to provide other services, such as feasibility studies or preparing financial projections.” We agree with the first sentence. Does the second sentence also put accountants in the position of registering? Like engineers, how will the Commission notify accountants about what they can and cannot do? We had a client tell us just recently that its auditor wanted to be the city’s financial advisor. The City Manager asked me about Frank-Dodd. The auditor stated that the Act did not apply to him. I wish I could wish it away, too.

Attorneys

The number one profession providing financial advice to municipalities in the State of Kansas, in my opinion, is bond attorneys. There seems to be as many or more

competitive bond sales in Kansas without a financial advisor than there are with a financial advisor. I have not confirmed this, as it probably would not be hard to substantiate. On page 38 of the Release, “Generally, the Commission interprets advice provided by a lawyer to its client with respect to the structure, timing, terms and similar matters concerning municipal financial products or the issuance of municipal securities to be services of a traditional legal nature if such advice is provided within a lawyer-client relationship specifically related to such products in conjunction with related legal advice. Thus, for example, advice comparing the structures, terms, or associated costs of issuance of different types of securities or financial instruments (such as fixed rate bonds or variable rate demand obligations) given by an attorney hired to advise a municipal entity client embarking on a bond offering would be considered to be services of a traditional legal nature, as would advice concerning the tax consequences of alternative financing structures or advice recommending a particular financing structure due to legal considerations such as the limitations included in existing contracts and indentures to which the issuer is a party. However, advice which is primarily financial in nature, such as advice concerning the financial feasibility of a project or financing advice estimating or comparing the relative cost to maturity of an issuance depending on various interest rate assumptions or advice recommending a particular structure as being financially advantageous under prevailing market conditions, would be primarily financial advice and not services of a traditional legal nature.” This is where not having a definition of “structure, timing, terms and similar matters” becomes a problem, in my opinion.

Let us assume structure is defined as the type of financing instrument. If an attorney is asked what kind of financing options are available for a project, then in my opinion attorneys can provide the legal options for a particular project and the security requirements of each option, such as a tax or revenue pledge. But the attorney should not provide information regarding debt service coverage ratios or bond reserves (unless there is a parity concern with another bond issue), estimated interest rates or debt service or how each option will affect an issuer’s financial statements. Basically, an attorney should state what options are legal and state if there any parity issues regarding each option.

Let us assume timing has to do with when bonds are sold. An attorney should be able to give legal advice to a municipality if a specific time to issue bonds is legal or not. An attorney should not make a recommendation as whether a bond issue should be sold on a particular day due to market conditions or whether or not a bond issue should be sold by negotiation or competitive sale. The advantages and disadvantages of each of these items should be left to a registered Municipal Advisor.

Let us assume that bond terms have to do with items including the maturity schedule, allowed underwriter’s discount, bond covenants (as described under structure), early redemption date and price. All of this should be left to a registered Municipal Advisor. All of the terms are legal questions, but what they should *be* is a financial issue because terms will affect interest rates. Making a recommendation regarding terms is giving financial advice. How an attorney can give advice on whether an entity should be rated or not, and/or to walk and entity through the rating process without being a registered Municipal Advisor is not understandable.

Please explain to me how advising a client on associated costs of issuance given different financing options has anything to do with the law. Just because a lawyer has an attorney – client relationship does not mean they have a demonstrated ability to provide financial advice. One attorney in Kansas recommended that a new water district get a USDA loan because it was the only way to finance it, in that attorney’s opinion. That attorney was wrong; we have financed new water districts with other options. The option the attorney recommended was legal, but was it the best one for that new water district? The Commission, in principal, is allowing bond attorney and local attorneys to continue to act as Municipal Advisors without the requirement to be registered as one.

Other Entities

In Kansas, there are a number of non-governmental entities that provide financing alternatives, make specific recommendations regarding a particular financing option or promote specific governmental loan programs. On page 25 of the Release, it states that the Exchange Act Section 15B(e)(3) provides that “the term ‘investment strategies’ includes plans or programs for the investment of...” Why is not providing debt alternatives treated the same as providing investment alternatives? On page 28 of the Release, it states “The Commission does not have any evidence that the competency of the advisors or the quality of advice needed by municipal entities with respect to the investment of other public funds – which may exceed the amount of proceeds of municipal securities or municipal escrow investments.” If the Commission is concerned regarding “competency of the advisors or the quality of advice” for the investment of public funds, why would those who are providing advice regarding debt financing options not also have demonstrated capabilities? Underwriter’s that promote a specific financing vehicle, bonds or lease, for example, have to be registered; why not those who promote other financing alternatives? Just because it is a governmental loan does not make it the best alternative. If one is getting compensated from the government, then one has a vested interest in promoting that debt option which may not necessarily be the best one for that entity. If there is a complaint, with whom is it filed and how is corrective action taken? In addition, for cities and counties in Kansas, bonds have to be issued for USDA Rural Development Loans. Therefore, these entities are actually recommending general obligation or revenue bond issues and are quoting interest rates.

Also the following two statements within the Release would also seem to substantiate the need to register these entities as Municipal Advisors: on page 29, it is stated that “In addition, the determination regarding whether a solicitation of a municipal entity requires a person to register as a municipal advisor is not based on the number, or size, of investments that are solicited.” Thus, the Commission would consider a solicitation of a single investment of any amount in a municipal entity to require the person soliciting the municipal entity to register as a municipal advisor. This should apply to those to provide financing options. As stated previously the “Issuance of municipal securities” is a very limited definition of a financial advisor. On page 33 of the Release, “In defining the term ‘municipal advisor’ in Exchange Act Section 15B(e)(4), Congress did not distinguish between those municipal advisors who are compensated for providing advice and those who are not compensated for providing advice. Thus, consistent with Congress’s definition of the term ‘municipal advisor,’ the Commission does not believe

the issue of whether a municipal advisor is compensated for providing municipal advice should factor into the determination of whether the municipal advisor must register with the Commission.” An entity that promotes debt financing options on its web page, if debt options are to be deemed municipal products, would seem to need to be considered a Municipal Advisor. **As stated previously, providing debt options, and explanations of each of them, is what a Financial Advisor really does.**

Proposed Rule 15Ba1-2

I do not have time or the expertise to review all the forms. I would have to hire an attorney that has experience in the business to review and comment on this. I cannot afford to do this. This is another example of how small firms could be squeezed out of the business. All of this is a great burden on small financial advisors.

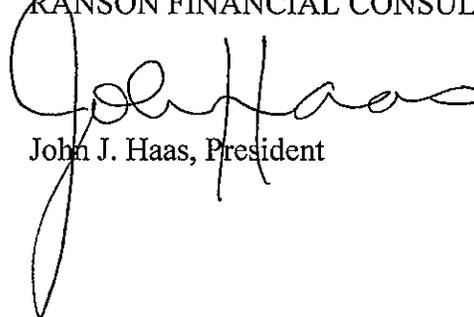
I did notice on the list of Municipal Advisors that at least one individual that works for an investment banking firm is listed as a Municipal Advisor. Will that individual get act as a Municipal Advisor and negotiate a transaction with the investment banking firm with whom he is employed?

I quit reviewing the Release on page 109. This is just way too much for a very small financial advisory firm to review, digest and comment upon. I don't practice law (of course attorneys should not practice financial advising under the new rules) and I don't understand all of this.

I hope the MSRB and the SEC sets up a program to help small financial advisors deal with all of your rules and regulations. Otherwise, you just may be putting us out of business.

Thank you for the opportunity to comment.

Sincerely,
RANSON FINANCIAL CONSULTANTS, LLC

A handwritten signature in black ink, appearing to read "John Haas". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John J. Haas, President