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Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20499-1090

February 18, 2011

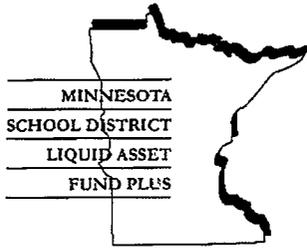
Re: SEC Proposal to Require Board Members of Municipal Entities to Register as
Municipal Advisors.
File No.: S7-45-10; Release No. 34-63576

Dear Ms. Murphy:

The United States Securities and Exchange Commission has recently caused to be published in the Federal Register Release 34-63576 (the "Release") proposing new rules that purport to give effect to portions of the Dodd-Frank Act and that would require certain board members of municipal entities to register with the SEC. The Release requests comments on various provisions of the proposed rules.

The Minnesota School District Liquid Asset Fund Plus ("MSDLAF") is a Minnesota joint powers entity in the form of a common law trust established in 1984 to provide a vehicle to allow its participants to jointly invest their respective funds in accordance with the laws of the State of Minnesota. This entity would come within the definition of a local government investment pool ("LGIP") as that term is used in the Release. Participants in MSDLAF must be Minnesota public school districts and public school entities. MSDLAF contracts for all services and has no employees of its own.

Pursuant to its existing Declaration of Trust, MSDLAF is governed by a Board of Trustees composed of five school board members of participant school districts and six employees of participant school districts, three of whom shall be superintendents of those school districts and three of whom shall be school business officials of those school districts. The Executive Director of the Minnesota School Boards Association, the Executive Director of the Minnesota Association of School Administrators and the Executive Secretary of the Minnesota Association of School Business Officials serve as ex officio non-voting members of the Board of Trustees. The eleven regular Trustees serve staggered three-year terms and are elected at annual meetings of the participants. A Trustee must be elected by the affirmative vote of at least a majority of the participants entitled to vote present in person or by proxy at the annual meeting. If a Trustee who is a member of the school board of a participating school district is no longer a member of that school board or if the school district with which he or she is affiliated is no longer a participant, a vacancy is deemed to have occurred. If a Trustee who is an employee of a participating school district is no longer



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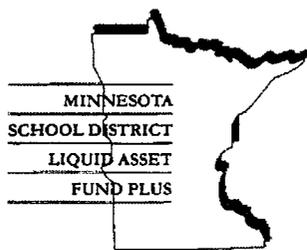
an employee of that district or if the district with which he or she is affiliated is no longer a participant, a vacancy is deemed to have occurred unless the person becomes an employee of another school district which is a participant. A vacancy can be filled by a vote of the majority of the participants who are entitled to vote at a meeting called for that purpose, or by a majority vote of the Trustees continuing in office acting by resolution. While Trustees are reimbursed for actual expenses incurred, they are not compensated for their service.

Other than the three ex officio Trustees who represent the statewide school organizations, all the Trustees of MSDLAF are either elected school board members from participant school districts or employees (superintendents or business managers) of participant school districts.

The relevant provisions of the Dodd-Frank Act define the term "municipal advisor" to mean a person "who is not . . . an employee of a municipal entity". 15U.S.C. 78o-4(e)(4)(A) A school district is a municipal entity. Thus, it appears that if an employee of any school district serves on the board of a LGIP, that person will not be considered a municipal advisor, even though he or she is not an elected official and is not an employee of the LGIP itself.

The provisions of the Release specify that the exclusion from the definition of municipal advisor shall include any person serving as an elected member of the governing body of the municipal entity to the extent that person is acting within the scope of his or her role of an elected member of the governing body of the municipal entity. The five school board members serving as Trustees of MSDLAF are school board members of participant school districts. They are elected to those positions by the voters of their respective school districts. We should point out, however, that if a vacancy occurs in the position of elected school board member, the remaining board members appoint a person to fill that position until a successor is elected and qualifies. We believe the intention of the Release is to allow the exclusion to apply to those elected officials (and appointed officials filling a vacancy) while serving on the board of MSDLAF even though they are not directly elected by the voters to serve as a Trustee on that LGIP. The confusion arises because the Release refers to elected officials of "the" municipal entity. Here, they are directly elected officials of participant school districts but are not directly elected by the voters to serve as Trustees of MSDLAF.

In the case of MSDLAF, the 11 regular Trustees are elected by the participant school districts or school entities pursuant to the Declaration of Trust. The various lawyers who have reviewed the Release believe this would bring those Trustees within the definition of an elected member of the governing body of the municipal entity – in this case, the Board of



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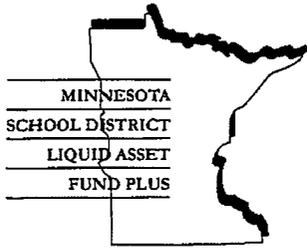
Trustees of MSDLAF. However, this reading is only a legal opinion and not binding on the SEC. It needs to be clarified.

The proposed rules need to be clarified to make clear the following:

- 1) If an employee of a school district that is a participant in an LGIP serves on the board of that LGIP, the employee exclusion continues to apply and that Trustee is excluded from the definition of municipal advisor;
- 2) If an elected school board member (or an appointed member filling a vacancy in that office) of a school district that is a participant in an LGIP serves on the board of that LGIP, the elected official exclusion continues to apply and that Trustee is excluded from the definition of municipal advisor;
- 3) If a person is elected as a Trustee of a LGIP by the participants in that LGIP, that Trustee meets the elected official exclusion from the definition of municipal advisor.
- 4) An ex officio nonvoting member of the board who is designated as an ex officio Trustee under the articles, bylaws or declaration of trust of the LGIP as a result of his or her position should be excluded from the definition of a municipal advisor.

In reviewing these issues, the Commission should be cognizant of the duties of the Trustees. Their duties are to do those things necessary and proper for conducting the affairs of the LGIP or promoting the interests of the LGIP and its participants. In the case of MSDLAF, the Trustees hire an administrator to carry out specified duties, an advisor to supervise and carry out the investment program with respect to investment of assets, a Custodian to carry out custodial bank functions on behalf of the Trust, an accountant to audit the program and legal counsel to provide legal advice. The Trustees supervise the work done by the Trust's hired professionals rather than trying to do that work themselves. If those duties are not properly performed, the professionals are replaced. Certain of these professionals may themselves be included within the definition of municipal advisor.

Moreover, each of the Trustees, whether elected, appointed or an employee, has the same fiduciary duty to the participant school districts. As employees and elected officials of the participating school districts, they are directly accountable for their performance to not only the citizens of the school district from which they come but to the citizens of all the school districts which are participants.



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If the proposed rules are interpreted to bring these employees and school board members within the definition of municipal advisors, it will literally be impossible to fill these spots. School board members, like members of Congress, come from and represent the people. They have diverse backgrounds and may be farmers, insurance salesmen, stay at home moms, laborers, etc., in their real lives. Most will not have finance-related backgrounds. The time and expense of getting the licensure will be enough to drive off most persons who would otherwise fill these positions. If the rules do not specifically provide exclusions for all school board members, superintendents, business managers and ex officio members designated as a result of their positions, we would respectfully request that these proposed rules not be adopted.

Sincerely,

A handwritten signature in cursive script that reads "Harold Remme".

Harold Remme

Chair

Minnesota School District Liquid Asset Fund Plus