



February 22, 2011

Elizabeth M. Murphy, Secretary
Securities & Exchange Commission
100 F. Street, NE
Washington, D.C. 20549

Re: File Number S7-45-10
Release 34-63576

Dear Secretary Murphy,

This letter is in response to the Securities & Exchange Commission's request for comments on the proposed definition of "municipal advisor" in Release 34-63576 ("Release"). The proposed definition of "municipal advisor" within the Release creates a system that: (1) undermines volunteer citizen participation in local government; (2) establishes an artificial barrier on a governing board; (3) fails to take into account adequate safeguards provided by state law. For these reasons, the City of Charlotte respectfully urges the Securities & Exchange Commission ("SEC"), **NOT** to adopt the proposed changes related to the "municipal advisor" definition.

First, the Release's proposed definition of "municipal advisor" undermines a cornerstone of American local government. Citizens volunteer for local government boards and commissions as a way to perform their civic duty. Consequently, this volunteerism strengthens the connection between government and the citizen by making government more responsive to the citizens. In Charlotte, citizens are appointed by elected officials to serve in unpaid capacities on the City's boards and commissions. If adopted, the Release's proposed definition of "municipal advisor" would deter volunteer citizen participation because of the onerous SEC requirements of registration, fees, and informational updates. Citizens are likely to forego their civic duty if they are aware of the additional fees and stringent conditions to serve voluntarily. Other potential consequences of an adopted Release include: extending compensation to appointed officials to qualify as "municipal employees" or disbanding each affected board and commission. Thus, the desire to add further transparency to the financial marketplace should not erode or impair the civic participation of volunteers in a local government.

Second, the proposed definition of "municipal advisor" misconstrues the relationship between an elected official and an appointed official. The proposed definition of "municipal advisor" currently excludes the following: municipal entity, municipal employee, and elected official. However, appointed officials are considered to be within the proposed "municipal advisor" definition due to the SEC's position that appointed officials are not directly accountable to citizens. The Release fails to grasp the proposition that appointed officials receive their appointments directly from the elected officials on a local governing board or pursuant to law crafted by the state general assembly. Contrary to the SEC's position, appointed officials in North Carolina are directly accountable to the elected officials whom the citizens vote for. These appointed officials assist the boards and commissions with directives from the

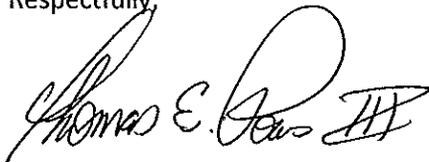
elected officials and are subject to removal in accordance with established City policies and procedures. Thus, to exclude appointed officials from the definition of "municipal advisor" strikes as nonsensical.

Third, the Release fails to take into account adequate safeguards provided by state law. In North Carolina, a state agency called the Local Government Commission ("LGC") is responsible for reviewing, approving or denying all local government financing. Even if a municipality or county decides to issue bonds, utilize certificates of participation, make use of interest-rate swaps, or undertake other financing instruments, then Chapter 159, Article 2 of the North Carolina General Statutes gives the LGC the right to review and approve or deny all local government financing. Its presence has ensured a stable North Carolina municipal market with no actual or threatened municipal bankruptcies while ensuring a high credit rating for North Carolina local governments over the decades.

In summary, the proposed definition of "municipal advisor" should be defined to include municipal employee, municipal elected official, and municipal appointed official. An appointed official should not be classified as a "municipal advisor" because it undermines the volunteers who are performing a civic duty and creates a distinction that is false. Instead, the Release should reconstitute the definition of "municipal advisor" to include: compensation by the municipality to the firm employing the individual or to the individual directly; residency outside the municipality or state where the municipality is located; and/or presence of a contract or agreement between the municipality and "municipal advisor."

As currently written, the City of Charlotte urges the SEC NOT to adopt the Release.

Respectfully,

A handwritten signature in black ink that reads "Thomas E. Powers III". The signature is fluid and cursive, with the first name "Thomas" being the most prominent.

Thomas E. Powers III
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