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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

February 22, 2011

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

Re: File Number S7-45-10 regarding Registration of Municipal Advisors

Dear Ms. Murphy:

As New York State Comptroller, I am the State's Chief Fiscal Officer and sole Trustee of the New York State Common Retirement Fund ("CRF"), which holds and invests the assets of the New York State and Local Retirement System. It is in both those capacities that I write to offer comments on Exchange Act rules 15Ba1-1 through 15Ba1-7 recently proposed by the Securities and Exchange Commission ("SEC") pursuant to Section 975 of Title IX of the Dodd-Frank Act regarding "Registration of Municipal Advisors" (herein "Proposed Rules").

By including in the definition of "Municipal Advisor" unpaid, appointed board members of governing bodies of municipal entities, the definition will have a profound negative impact on the ability of these entities to attract the expertise necessary for them to function effectively. Specifically, I am opposed to the SEC's proposed interpretation of "employees of a municipal entity" who are excluded from the definition of "municipal advisor" and, consequently, exempt from the registration requirements of the Proposed Rules. In its release, the SEC explains that "employees of a municipal entity" should include elected members of the governing body of the municipal entity and appointed members to the extent such appointed members are ex officio members of the governing body by virtue of holding an elective office. The SEC, however, excluded from that definition, and therefore exemption, appointed members of a governing body of a municipal entity who are not elected ex officio members, perceiving a lack of accountability to the municipal entity and its citizens.

I urge the SEC to reconsider this interpretation. In my capacity as the sole Trustee of the CRF, I regularly consult with and rely on the advice of members of our Investment Advisory Committee ("IAC") and Real Estate Advisory Committee ("REAC"), all of whom are appointed because of their professional expertise in

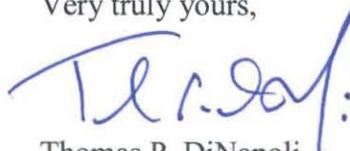
investment-related issues. Additionally, as Chief Fiscal Officer, I sit ex officio on the governing board of the New York Local Government Assistance Corporation ("LGAC"), a public benefit corporation that has issued debt on behalf of the State. Several members of LGAC's board are appointed but do not sit ex officio. There is also an ex officio member who is not elected. These appointed and non-elected ex officio members lend valuable expertise in municipal finance matters to LGAC. Members of these committees or boards are uncompensated for their services.

I recognize the laudable overall purpose of the Proposed Rules. However, to the extent that IAC and REAC could be considered municipal boards, and that the SEC intends to include uncompensated volunteers sitting on municipal boards such as IAC, REAC or LGAC to register as municipal advisors, I believe the Proposed Rules could have the unintended consequence of stifling our ability to attract the best and brightest individuals to accept these positions.

I also understand, and the SEC points out in its release, that compensation is not the appropriate measure by which to determine whether an individual must register as a municipal advisor. Instead, as noted above, the SEC has expressed concern about a lack of accountability. I note that, although they are uncompensated volunteers, each individual is bound by a fiduciary duty upon becoming a board member. Additionally, all board members of LGAC are subject to the State's Public Officer Law provisions that impose a strict code of ethics and financial disclosure requirements. IAC and REAC members are subject to regulations of the State Superintendent of Insurance and to the Code of Ethics and financial disclosure requirements for members of advisory committees to the Comptroller. My experience with these board members has demonstrated that they take their responsibilities seriously and strive to act in the best interests of the citizens of New York State and of the members of the Retirement System, respectively. Requiring these board members to register as municipal advisors may discourage individuals from taking on such civic-minded work and result in our inability to obtain the caliber of professionalism needed to best serve the public interest.

Accordingly, I respectfully urge the SEC to define "employees of a municipal entity" as including all members of a governing body of a municipality.

Very truly yours,



Thomas P. DiNapoli
Comptroller of the State of New York