

MICHAEL F. BENNET
COLORADO

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United States Senate

WASHINGTON, DC 20510-0609

February 22, 2011

WASHINGTON, DC
702 HART SENATOR OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5882

COLORADO
2300 15TH STREET
SUITE 450
DENVER, CO 80202
(303) 455-7699

<http://www.fortnetstatesenate.gov>

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CHAIRMAN'S
CORRESPONDENCE UNIT

The Honorable Mary Schapiro
Chairman
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Dear Chairman Schapiro:

I write in response to the Securities and Exchange Commission's ("SEC" or the "Commission") request for comments regarding the definition of a "municipal advisor."

As you know, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("the Act") requires municipal advisors to register with the SEC. The SEC recently proposed rules to define a municipal advisor and sought comments to ascertain whether its definition of a municipal advisor was appropriate. See SEC Rel. No. 34-63576 (Dec. 20, 2010).

While the proposed rules exempt elected officials from being characterized as municipal advisors, the Commission also noted that appointed members to a governing body should not be excluded from the definition. In crafting this distinction, the Commission reasoned that "appointed members, unlike elected officials and elected *ex officio* members, are not directly accountable for their performance to the citizens of the municipal entity." *Id.*

As a former Superintendent of the Denver Public School system and a former employee in city government, I have seen firsthand the important role that volunteers play in municipal governments. I am concerned that a registration requirement may dissuade some of our best and brightest citizens from stepping forward to assist their local communities. At the same time, the Colorado Constitution and other state laws include substantial ethics and conflicts of interest rules for elected and appointed officials.

It is my understanding that several Colorado municipal entities have expressed their concerns to the SEC about this proposed rule. It is therefore my hope that the SEC will exclude appointed members to a local governing body from the definition of a municipal advisor.

If you have any questions regarding the foregoing, please do not hesitate to contact me.

Thank you for your attention to this matter.

Sincerely,



Michael F. Bennet
United States Senator