

Comments to SEC-2011-0022-0001 due 2.22.2011

Please keep in mind the changing face of municipalities today.

The City of Los Angeles is a chartered city with proprietary departments such as the Department of Water and Power, the Port of Los Angeles, and the Los Angeles International Airport.

Also consider that cities are giving away the store—they are giving away assets to Public Private Partnerships P3s, not under any federal jurisdiction.

So, solicitation, as it stands, is not revealed and IT SHOULD BE. Once records are private, and the P3 relationships produce private records, then the taxpayer is not protected.

We can also be faced with debt for a Private firm IE NFL stadium, yet reap no profits or property taxes. We, the taxpayers, are at risk. We have private firms using the assets future revenue of a municipality to further their private gain. We have Ad Hoc Committees appointed that replace the financial advisor. There are conflict-of-interest issues, but they are not required to register under any category.

Debt is under an IRS code, not a State code.

FULL DISCLOSURE MUST BE REQUIRED.

It appears that the derivative market will be in low-income property, usually under4 the HUD Consolidated Plan. We are also facing Cap-and-Trade with municipalities in Carbon Credits from municipally owned facilities, some of which are indebted.

We are also seeing the advent of Parking Credits and Air Credits.

In the proprietary departments, we see investments and debt around out-of-state facilities such as power investments and water investments. We feel any out-of-state advisor should be registered with full disclosure.

The proprietary departments join in Joint Powers Agreements or Memorandums of Understanding, and we have no way of seeing financial relationships.

We face conflict-of-interest issue with municipal employees, many who are warned to receive advice from the City Attorney, but few to none who do. We are seeing millionaires employed at \$1 per year. This is a red flag.

Banks and financial institutions must be included as they have a relationship with municipalities and the Community Reinvestment Act.

We are seeing the municipal government replaced with non-profit organizations and Public Private Partnerships.

EDGAR or any other available database would be helpful.

Please realize that our budget deficiencies, in the City of Los Angeles, has exceeded \$1Billion for the fiscal years ended 6/30/2008 and 6/30/2009 and we have yet to see a Consolidated Annual Financial Report CAFR issued for year ended 6/30/2010.

These operating deficiencies (losses) are important to the financial decisions.

We are concerned with fraud.

The taxpayer and Citizen needs to be protected in all ways possible.

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