



February 22, 2011

Ms. Martha Haines
Assistant Director and Chief
Office of Municipal Securities
Securities and Exchange Commission ("SEC")
100 F Street, NE
Washington, D.C. 20549

Re: File Number SF-45-10

Dear Madam:

As an independent financial advisor, registered with the Texas State Securities Board, and currently subject to MSRB Rules pursuant to Texas State Statute, we hereby submit our comments to the proposed rules implementing Section 975 of Title IX of the Dodd-Frank Act.

Filing of Forms MA & MA-I: Rule 15B(a)1-2

We would favor filing of the required registration material via FINRA's electronic registration system CRD or IARD or some similar system. The Texas State Securities Board already requires registration of Municipal Advisors via the FINRA system and it is likely many states have adopted this same convention. The EDGAR system would subject required registration information (i.e. social security numbers of sole proprietors) to unnecessary public scrutiny. EDGAR filing would also compromise the confidentiality of operating performance data for privately held Municipal Advisors.

Definition of Municipal Advisor: Rule 15B(e)(4)

The proposed rules would not grant an exemption from the definition of a Municipal Advisor for appointed issuer officials. Such appointed officials are frequently unpaid with separate full-time professional obligations. More importantly, board members, appointed or elected, are neither advisors nor consultants in that they are responsible for making final decisions on behalf of the municipal entity. *Thus, they act on advice; they do not dispense advice.* The duty of every board member to respect state constitutions and statutes does not differ depending upon whether the board member is elected, employed or appointed. Each board member takes the same oath and is subject to liability for fraud and subject to suit for malfeasance.

In our opinion this interpretation of the definition of a municipal advisor will force the resignation of significant numbers of appointed officials who would sooner walk away than face registration and the accompanying record-keeping and reporting requirements that those of us, who operate municipal advisory businesses *and actually dispense advice*, must follow.

Very truly yours,
Specialized Public Finance Inc.

Small Municipal Advisors

Section 975(b)(2)(J)(iv) of the Dodd-Frank Act requires that the ... rules “not impose a regulatory burden on small municipal advisors that is not necessary or appropriate in the public interest and for the protection of investors, municipal entities, and obligated persons, provided that there is robust protection of investors against fraud.”

The Commission rightly spends effort to define the term Small Municipal Advisor, as this definition was not included in the Act. We have no basis upon which to question the proposed definition. It is consistent with other Federal thresholds already employed and seems reasonable when measured against the estimate that roughly 10% of all Municipal Advisors would fit the definition.

That said, it seems inconceivable to us that Congress would see fit to create a separate class of Municipal Advisor only to have the proposed rules apply equally to small and all other Municipal Advisors. On pages 213 and 214 of the proposed rules, the Commission concludes “*it would be inconsistent with the purposes of the Exchange Act to exempt small entities from compliance with the proposed rules.*”

We respectfully disagree with this position and would propose that any firm which meets the Small Municipal Advisor definition be allowed to convert their temporary registration to permanent status by agreeing to observe a fiduciary duty to clients (as required by the Act) and filing Form ADV (part 1) with FINRA, as certain state regulations already require. ***Indeed, for those Small Municipal Advisors already regulated by a state agency it will, in fact, be burdensome to pay twice and to follow a second set of administrative rules.*** The annual renewal cost to maintain our Form ADV is already several thousand dollars per year for our firm. Small Municipal Advisors also have limited administrative staff, which we would obviously prefer to devote to our clients needs. Speaking again for our firm, we are already registered with the Texas State Securities Board, and we are statutorily required to adhere to MSRB rules, including the pay-to-play restrictions.

We would propose a simple (yet effective) exemption from the proposed rules for Small Municipal Advisors who are already regulated by a State Securities Board or similar agency, provided they adopt appropriate policies restricting pay-to-play practices and regarding an affirmative fiduciary duty to clients.

We appreciate this opportunity to provide comments on the proposed rules.

Sincerely,



Garry R. Kimball
President