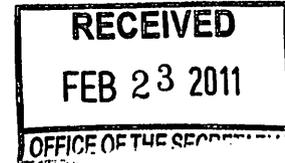




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Dr. Ken Moore
MayorEric S. Stuckey
City Administrator

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17 February 2011

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

RE: SEC Proposed Rule 34-63576

Dear Ms. Murphy:

We are writing with great concern about the SEC's definition of who is a municipal financial advisor under SEC Proposed Rule 34-63576.

A municipal financial advisor provides advice to a state or municipal entity, including public pension funds, as to the issuance of municipal securities, swap transactions and/or investment strategies. **We oppose the SEC's proposal to consider appointed members of state and local government governing bodies as financial advisors. A state or local government governing board, comprised of appointed members, cannot serve as an advisor to itself.**

The SEC's proposed rule correctly exempts elected members, elected ex-officio, and employees of a municipal entity's governing board from the definition; however, under the proposed rule, non-elected (appointed) members of a governing board would have to register with the SEC and meet various regulatory requirements set forth by both the SEC and the MSRB, including registration requirements and fees, federal fiduciary standards, federal securities law liabilities, and federal financial disclosure standards.

Appointed members of governing bodies, especially at the local level, are typically citizens who volunteer to serve for the public good and often have special expertise that is critical to the effective functioning of the governing body. They are very likely to be deterred from serving on state and local governing boards if federal regulations are imposed upon them. That means our City would lose the valuable insights that these persons offer.

In the City of Franklin, we have appointed Boards that oversee the financial operations and investments of many different functions. Some of those include: Franklin Transit Authority; Franklin Industrial Development Board; Franklin Health, Education and Housing Facilities Board; Franklin Building Authority; and the Franklin Employees Pension Plan Oversight Committee.



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In the City of Franklin, and in accordance with Tennessee law, we make it a practice to contract with professional municipal financial advisors from unrelated third party companies. These consultants advise our various Boards and Committees on investments, bond issuance, and a host of financial issues. We insist that those advisors are properly registered and disclosed. However, it is critical that we have knowledgeable citizens serving as Board appointees who are able to ask the right questions and interpret the answers provided by the third party professionals. Without knowledgeable citizens that “speak the language” of the financial advisors, we do not have the assurance that issues are being fully and properly debated before action is taken.

We believe that if Congress had intended for appointed members of governing bodies to be included within the municipal financial advisor definition, it would have made this point clear in the statute. By excluding all governing body members and the employees of appointed bodies from the municipal advisor definition, we can be assured of retaining the expertise our boards need to make important decisions on behalf of our constituents.

We urge the SEC to exclude all governing body members and the employees of appointed bodies, including those who serve across jurisdictional boundaries, from the municipal advisor definition.

Thank you for the opportunity to comment on the SEC’s Proposed Rule 34-63576.

Sincerely,

Dr. Ken Moore, Mayor

Eric Stuckey, City Administrator

Cc: Congressman Marsha Blackburn
Congressman Scott DesJarlais
Senator Lamar Alexander
Senator Bob Corker