

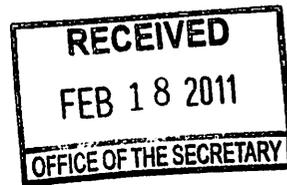


727

February 17, 2011

Via Federal Express

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



Bryan Cave LLP
One Kansas City Place
1200 Main Street
Suite 3500
Kansas City, MO 64105-2100
Tel (816) 374-3200
Fax (816) 374-3300
www.bryancave.com

Re: File No. S7-45-10

Dear Chairman Schapiro and Members of the Commission:

The purpose of this letter is to comment upon Release 34-63576 (the "Release") with regard to the Commission's proposed new Rule 15Ba-1 *et. seq.* (the "Rule") wherein the Commission attempts to define the term "municipal advisor" for purposes of the registration requirement of the Rule. As legal counsel to the Missouri Securities Investment Program ("MOSIP"), we believe that the proposed Rule is overreaching and not only will impose an undue financial burden on individuals serving on governing bodies of public governmental entities but will also adversely affect the willingness of individuals to serve those local governments and political subdivisions.

MOSIP was established in 1991 as an instrumentality of Missouri public school districts, municipalities and other political subdivisions pursuant to an intergovernmental cooperation agreement (the "Governing Agreement") executed under the laws of the State of Missouri by the parties thereto. The purpose of MOSIP was to allow participating school districts, municipalities and political subdivisions to pool their resources for investment purposes and spread the cost of professional investment services over the wider participating group, thus achieving better investment opportunities as well as economies of scale. Professional investment services are provided to MOSIP by PFM Asset Management, a private investment firm and registered municipal advisor, which manages various MOSIP portfolios in return for a fee. A thirteen-member Board of Directors (the "Board") governs and oversees the activities of MOSIP. Of these thirteen individuals, ten are representatives of the participating school districts and municipalities elected by the member participants, the constituency of MOSIP. The remaining three are designated officials of member associations as set forth in the Governing Agreement and described below.

MOSIP was formed pursuant to Sections 70.210 to 70.320 of the Revised Statutes of Missouri and according to R.S.MO § 70.260(2), and as such MOSIP is considered a "...separate legal entity and...a body corporate and politic..." Accordingly, MOSIP falls within the definition of "municipal entity" as it would be considered a "municipal corporate instrumentality" as provided in Section 15B(e)(8) of the Securities Exchange Act of 1934.

- Bryan Cave Offices**
- Atlanta
 - Charlotte
 - Chicago
 - Dallas
 - Hamburg
 - Hong Kong
 - Irvine
 - Jefferson City
 - Kansas City
 - London
 - Los Angeles
 - Milan
 - New York
 - Paris
 - Phoenix
 - San Francisco
 - Shanghai
 - St. Louis
 - Washington, DC

- Bryan Cave International Trade**
A TRADE CONSULTING SUBSIDIARY
OF NON-LAWYER PROFESSIONALS
www.bryancavetrade.com
- Bangkok
 - Beijing
 - Jakarta
 - Kuala Lumpur
 - Manila
 - Shanghai
 - Singapore
 - Tokyo

- Bryan Cave Strategies**
A GOVERNMENT RELATIONS AND
POLITICAL AFFAIRS SUBSIDIARY
www.bryancavestrategies.com
- Washington, DC
 - St. Louis

We believe the Rule properly excludes elected officials from the registration requirements of the Rule. In response to the question of whether appointed officials of a local government were to be included in the definition of “municipal advisor,” the Release provides:

“...The Commission does not believe that appointed members of a governing body of a municipal entity that are not *ex officio* members should be excluded from the definition of a municipal advisor.”
(Footnote omitted)

Municipal Advisors. 76 Fed. Reg. 834 (January 6, 2011).

Additionally, the Commission asks whether the distinction between an elected member of a governing body of a municipal entity and an appointed member is appropriate. *Id.* at 837.

In response to the question posed and on behalf of MOSIP, we urge the Commission to not make this distinction for two main reasons. Each participant of MOSIP executes the Governing Agreement and by such action approves the composition and manner of selection of the Board including those appointed positions which they approve by such execution. The appointed board members are representatives of: (i) an association composed of boards of educations known as Missouri School Boards Association, (ii) an association of business officials of school districts known as Missouri Association of School Business Officials and (iii) an association of school district administrators known as Missouri Association of School Administrators. Those appointed members as representatives of these associations serve at the pleasure of their own constituencies who likewise serve at the pleasure of their own municipal or school district participants. By virtue of their high-ranking positions within these member organizations, they are held to a high standard of accountability by their own constituency. Their role as an appointed board member of the municipal entity would certainly not dilute their responsibility and duty they have toward their organization and the participants, as any adverse action on the part of the Board of MOSIP would directly affect the respective member organizations and ultimately the participating school district or other political subdivision. Furthermore, requiring only appointed board members to register as municipal advisors is without logic, especially when they are working in conjunction with elected board members towards a single common goal for the program. There should be no distinction between those elected and those appointed. They are equally accountable.

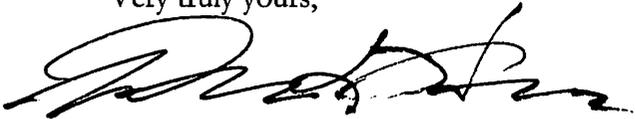
The second reason that making these distinctions would be unfortunate is that it would chill the willingness of individuals to serve state and local governments. The overwhelming reaction to the Release is that requiring appointed officials to register as a municipal advisor is opposite what the Commission is seeking to accomplish. The increased regulation of municipal advisors is designed to benefit the officials serving on governing bodies who are provided with financial advice, not create an additional burden on those that the proposed Rule is designed to protect. Additionally, in many instances, these appointed members are volunteers who have a desire to better their community by serving on various city boards and commissions. Requiring these civic individuals or their organizations to expend money and resources on registering as a municipal advisor and properly training these individuals, along with subjecting them to personal liability discourages volunteerism. Public officials, whether elected or not, are already bound by state and local ethics laws and are accountable for malfeasance regardless of the proposed Rule.

Missouri Sunshine Law, R.S.MO §§ 610.010 – 610.028, requires meetings, records, votes, actions and deliberations of public governmental bodies be open to the public unless otherwise provided by law. The decisions made and actions taken by governmental bodies of organizations such as MOSIP are already subject to public scrutiny because of the open records requirements. Violation of the Sunshine Law can result in a voiding of action taken and may subject the governing body or member to civil fines and costs. These laws force accountability for members of governmental bodies and as such, additional regulations involving these entities is unnecessary and tedious.

On behalf of MOSIP, we appreciate the opportunity to comment. We respectfully request the Commission to reconsider the proposed Rule and exempt appointed members of municipal entities from registering as “municipal advisors.” We believe that the proposed Rule, if passed, will have an undesirable effect on municipal entities and will discourage intelligent, civic-minded individuals from participating in their local governments.

Finally, we endorse the comments submitted by Public Financial Management, Inc., the parent company of PFM Asset Management, as set forth in the letter dated February 7, 2011, and by PFM Asset Management, LLC, as set forth in its letter dated February 10, 2011.

Very truly yours,



William L. Hess

WLH/jmp

cc: Dr. Dennis Fisher
Carter Ward
William Sullivan
Maria Altomare