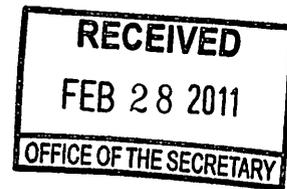


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February 18, 2011



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Elizabeth M. Murphy, Secretary  
United States Securities and Exchange Commission  
SEC Complaint Center  
100 F Street NE  
Washington, D.C. 20549-0213

**Re: SEC Proposed Rulemaking on Registration of Municipal Advisors, File No. S7-45-10**

Dear Ms. Murphy:

On behalf of the California State Association of Counties (CSAC), which represents all 58 California counties before the California Legislature and federal government, I write to express concerns regarding the proposed rule requiring municipal advisors to register with the Securities Exchange Commission (SEC).

Twenty California counties operate retirement systems under the provisions of the County Employees Retirement Law of 1937 (CERL), which was enacted to recognize a public obligation to county and district employees to provide for retirement compensation and death benefits. Under CERL, the typical composition of county retirement boards is nine members as follows:

- The county treasurer ex-officio
- Four members appointed by the county board of supervisors
- Two members elected by general membership
- One member elected by safety members
- One retired member elected by the retired membership

On page 31 of SEC's Release No. 34-63576, "Registration of Municipal Advisors," SEC states that it does not believe that appointed members of a governing body of a municipal entity, which includes public pension funds, that are not elected or ex-officio members should be excluded from the definition of a municipal advisor for the purposes of this rule, thereby requiring those members to register with the SEC. The SEC holds that this interpretation is appropriate because employees and elected members of governing boards are accountable to the municipal entity for their actions, while appointed members are not. This essentially singles out three to four independent board trustees appointed by elected officials of the county plan sponsors who would be required to register with SEC.

CERL statutes require appointed members of retirement boards to be qualified electors of the county. When the county boards of supervisors select individuals to serve on the retirement boards, they are not only electors, but taxpayers and ultimate stakeholders in the public pension system. They have a duty of loyalty which obligates them to refrain from using their position to further their own interests. In fact, the responsibility of these members is to select, monitor and terminate municipal advisors that fail to perform in the interest of the public pension fund.

While regulated investment advisers and broker dealers solicit their own products to municipal entities and are not held accountable to the actual members of a public pension fund, public sector trustees have a fiduciary responsibility to those pension beneficiaries.

CSAC is concerned that SEC's definition of municipal advisor for the purpose of registration with SEC is not appropriate for an individual who performs the responsibilities of a pension trustee who doesn't technically advise the governing board, but is actually an active participant on the board. We believe that including non-elected members and those who are not ex-officio members of the governing board would discourage voluntary public service at a time when county retirement system plan sponsors are struggling to find highly qualified, independent professionals to serve in positions that are mostly uncompensated.

Thank you for allowing us to submit our concerns on this very important matter.

Sincerely,

A handwritten signature in black ink that reads "Paul McIntosh". The signature is written in a cursive, slightly slanted style.

Paul McIntosh, Executive Director  
CSAC

Cc: Ron Waterman, Waterman and Associates