



# 755

STATE OF ARKANSAS  
MIKE BEEBE  
GOVERNOR

February 21, 2011

Securities and Exchange Commission  
Elizabeth M. Murphy, Secretary  
10 F Street, N.E.  
Washington, DC 20549-1090



Re: File No. S7-45-10  
Registration of Municipal Advisors  
Release 34-63576

Dear Chairman Schapiro and Members of the Commission:

I write to comment on the definition of "municipal advisor" as proposed in Release 34-63576.

One of my important responsibilities as Governor is to appoint citizens who are willing to volunteer their time and talent to serve on the governing boards of many of the State's commissions, authorities, and boards of trustees. I am very concerned that the inclusion of these appointed individuals, within the definition of "municipal advisor", will be detrimental to the State of Arkansas. More specifically, I am concerned that qualified men and women, who would be otherwise willing to sacrifice their personal and professional time to serve as voluntary appointed board members, will be discouraged from accepting such appointments if doing so requires them to incur the additional burdens imposed upon them if the proposed definition of "municipal advisor" is finally adopted. In addition, I am concerned that the additional expense, which will be imposed on the agencies that they advise, will further strain tight budgets and result in the painful decisions to eliminate or reduce funding available for the programs they are directed to implement.

In addition, while I applaud the Commission's goal to strengthen financial markets and establish rules and regulations that are meant to protect citizens, the practical application of the proposed rule would create an arbitrary and unnecessary distinction between elected and appointed board members. In general, Arkansas statutes require that

members of governing boards of state instrumentalities, which have the ability to issue debt, meet specified criteria designed to ensure diversity, board-based state representation, and experience and qualifications that are directly keyed to the mission and delegated authority of those state instrumentalities. All of the state entities with bonding authority seek the advice and counsel of compensated "municipal advisers." That is, the appointed members of the state boards and the officers serving those boards are being advised by the same professionals who are advising and counseling the elected members of a city's or county's elected councils or quorum courts.

I respectfully request that you expand the exclusion for local governmental officials to include appointed board members and other elected and appointed officials, so that they not be required to register as municipal advisors. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Beebe", with a long horizontal flourish extending to the right.

Mike Beebe

MB:jb