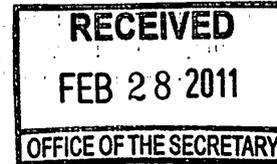




JACKSON COUNTY BANK

784



Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
Re: File Number S7-45-10

I would like to comment on the notice of proposed rulemaking issued by the Securities and Exchange Commission to establish a permanent registration system for municipal advisors under Section 975 of the Dodd-Frank.

I am concerned about Section 975 which establishes a system of dual registration with the Commission and the Municipal Securities Rulemaking Board. This will require covered municipal advisors to comply with rules of fair dealing, ongoing education requirements, and a fiduciary duty to their municipal entity clients.

I work for a small bank and I foresee significant negative impact on both small banks and small communities because small banks provide a variety of products and services to state and local governmental bodies. For example, we offer deposit accounts and small loans to our local municipalities.

Section 975 was intended to establish a regulatory scheme for unregulated persons providing advice to municipalities with respect to municipal derivatives, guaranteed investment contracts, investment strategies or the issuance of municipal securities. The SEC has expanded the definition of "investment strategies" to encompass any funds "held" by a municipal entity, regardless of whether such funds are related to the issuance of municipal securities or investment of bond proceeds. The SEC's interpretation would cover traditional bank products and services such as deposit accounts, cash management products and loans to municipalities, meaning banks would have to register as municipal advisors and add a new layer of regulation on bank products for no meaningful public purpose. I feel many small banks would be forced to cease customer relationships with our local municipalities as the regulatory burden would be too complex. As such many local municipalities, with only small banks in the community, would not have any institutions available to hold deposits or request short term small loan amounts.

Our bank employees act as citizen volunteers offering their financial expertise for the benefit of their communities. In very small communities, local bankers may be the only source of much-needed financial expertise for city or county officials. If these volunteers were to be required to register as individuals with the Commission and the MSRB, many well-qualified volunteers would be discouraged from subjecting themselves to these requirements.

This proposal conflicts with President Obama's initiative to avoid regulation that impedes economic growth and job creation.

Sincerely,

Scott Buckles
Jackson County Bank
McKee, Kentucky