

March 21, 2011

Subject: input from municipal market participants

Dear Ladies and Gentlemen:

It is my understanding that the SEC is seeking input from municipal market participants.

I have a comment or two concerning municipal advisors.

It is my understanding that the definition of who is a municipal financial advisor now can encompass Boards of municipal entities where municipal securities are issued (or any investment decisions) are made.

It is suggested for your consideration that this may be too broad a definition.

Additionally while the SEC does not require the payment of fees unit requires Municipal Advisors to also register with the MSRB. The MSRB charges \$600 in advance (\$500 annual plus a \$100 onetime fee) this is rather a large amount for smaller firms especially those just starting out and discourages competition by acting as a barrier to entry. For example if a person was to try to start a small business as a Municipal Advisor they would first have to pay this \$600 prior to engaging any clients. A person might pay this amount and fail to secure any clients and yet have to pay \$600 and \$500 for each year thereafter. This discourages small firms and ensures the big firms have an edge. There should be no fee for firms starting out, and no or a smaller fee for small firms – say for example just \$100 for firms who do less than a certain threshold of business (say \$20,000 in revenues). The larger firms could pay more of course if the MSRB wishes to encourage competition this would seem the way to go.

There should perhaps be waivers of any fees for municipal advisor MSRB registration for if the current definition continues of encompasses Board members of municipal entities that might issue tax-exempt debt.

Thank you for the opportunity to comment.

Sincerely yours,

John Sullivan, CFA