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[redacted]

Elizabeth M. Murphy, Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: SR-MSRB-2014-06

Dear Ms. Murphy:

Thank you for the opportunity to provide comments to the United States Securities and Exchange Commission (SEC) on the proposal of the Municipal Securities Rulemaking Board (MSRB) to adopt a new Rule G-44 to govern the supervisory and compliance obligations of municipal advisors.

I am a sole proprietor "municipal advisor", having performed these activities on an independent basis for over 25 years with my own MA firm. I have had no regulatory, disciplinary, judicial or administrative actions asserted or filed against me during my career, which spans almost 40 years in corporate finance, asset-based tax-oriented leasing and municipal finance. My flexibility as an independent sole practitioner has enabled me to serve my city, the Town of Hillsborough, CA, on a no-fee basis, for its water and sewer bond restructurings, where I reduced costs of issuance and on-going charges (as verified by the Town) by over $1.2 million on a $15 Million issue from that of the prior local broker-dealer. It has also allowed me to develop low cost workout/bailout financings for Trinity County, CA, the Hayward, CA Unified School District and Twain Harte-Long Barn, CA School District, when they faced financial default and potential Chapter 9 filings.

The reason for the above is to emphasize to the Commission that sole proprietor FA's can perform valuable functions to issuers, particularly those under duress, in cases where larger firms and broker-dealers might decline representation or request "risk fee" surcharges to those issuers least able to afford the costs.

I am in favor of the fiduciary standard enacted by Congress and am in favor of ethical guidelines and certain restrictions such as "pay to play" being discussed. These have helped sanitize the field from some of the more obnoxious practices of the miscreants among my brethren.

However, certain of the MSRB's decisions make little sense and, at least to me, appear to be borrowing concepts from broker-dealer regulation, without any viable economic analysis by the Board (which is counter to their stated policies and procedures) on the impact they have or any analysis whether other regulatory formats might be more appropriate to the municipal advisory field. It also appears to be in violation of the requirement imposed by Congress in the Dodd Frank legislation, as codified in the Exchange Act, to avoid unfair burdens on smaller FA firms without demonstrated benefit to issuers. *Section 15B(b)(2)(L)(iv) of the Exchange Act*. This applies not only to the proposed Rule, but to other proposals under consideration or adopted by the Board (e.g., potential dual exams for sole proprietors, dual annual fees for sole proprietors, with no justification for the reasonableness of benefits vs. the cost or burden imposed). A dual structure may be reasonable for larger firms where regulatory costs or regulatory responsibilities of compliance personnel are greater, but little justification has been provided by the Board relative to sole proprietors—and little detail on how this does NOT impose competitive burdens on them as one person shops.

(The economic analysis provided by the Board thus far is conjectural in nature and NOT backed up by data, and, in essence, states only that some may leave the field, but others (they assume) will become FA's and undergo the "barriers to entry". No data is provided to show how their proposed rulemaking impacts a sole proprietor or small firm, which was a Congressional concern in the legislation; and unlike other federal regulatory forms, such as those approved through OMB, no time, cost and manpower allocation has been provided.)

This problem extends to the proposed Rule. For example, the MSRB requests that MA's be "supervised" for purposes of its rules (and potential regulatory examinations) without explaining *how a sole proprietor can supervise itself*. A sole proprietor could arguably ask—"when I look in the mirror, is that my supervisor, or the reverse?" All jesting aside, I personally raised this point to an Assistant General Counsel of the MSRB at an MSRB-sponsored seminar in San Francisco over a year ago. His response was that I was among many who questioned this, and they were considering the problem. Despite industry concern with this point, as noted by the MSRB in its filing, the MSRB has chosen to ignore this inconsistency in its proposed Rule.

The MSRB indicates that for small firms it allows flexibility in designing a supervisory framework. However, it refuses to provide even a modicum of advice on what a baseline requirement would be—in essence forcing even one-person shops at great expense to hire attorneys and consultants to implement a supervisory "cookbook" for one person. This is regulatory "form over substance"—the existence of the supervisory cookbook is more important than what it actually achieves in the case of sole proprietors.

A basic concept of administrative law and policy is that a regulation should be reasonable and rational and not needlessly burden the regulated party. The MSRB's

position on supervision for sole proprietors unfortunately does not accomplish this. While it may be appropriate for larger firms, and under some circumstances for even two-person firms, it is totally illogical to impose that burden on a sole proprietor. Common sense and the English language dictate that supervision implies the role of multiple persons- an impossibility for one-person shops.

For these reasons- the clear economic disadvantage to sole proprietors from this rule, the lack of a meaningful economic analysis on the regulatory burden (required by the Board under its own procedures), the absence of proof that self-supervision will provide a true benefit to the MA's and their municipal clients, as required under Dodd Frank (other than the fact the Board can state that it has implemented an industrywide requirement, whatever its illogical and burdensome consequences), I request that you defer approval of this proposed Rule until the Board can correct these deficiencies and re-submit a rule with a more logical and less burdensome outcome for sole proprietor and similarly sized municipal advisory shops.

The proposed Rule in its present form is not consistent with Section 15B(b)(2)(L)(iv) of the Exchange Act, as it imposes regulatory burdens on small municipal advisors, and particularly sole proprietors, that are not necessary, appropriate or logical to the protection of the municipal clients of such advisors.

Respectfully submitted,

Joshua Cooperman