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The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
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February 13, 2012

Securities and Exchange Commission
100 F St NE
Washington, DC 20549
Attention: Elizabeth M. Murphy, Secretary

Re: Order Instituting Proceedings to Determine Whether to Disapprove Proposed Rule Change, as Modified by Amendment No. 2, Consisting of Interpretive Notice Applying MSRB Rule G-17 to Underwriters of Municipal Securities
File Number SR-MSRB-2011-09

Dear Commissioners:

Although the Securities and Exchange Commission ("Commission") in the captioned Order ("Order") has given interested persons a further opportunity to reply to comments submitted in response to the Order, Public Financial Management, Inc. ("PFM") believes that substantially all of what recently has been submitted is a reworking of earlier comments that the Commission and the Municipal Securities Rulemaking Board ("Board") have demonstrated are accurately understood. The record surely is full.

In the pursuit of their self-interest, it is possible for participants in the municipal securities process to lose sight of the fact that the Board's Notice ("Notice") which is the subject of the Order is the Board's attempt to elucidate its own Rule to reflect the responsibilities commended to the Board by the Congress in the Dodd-Frank Act. We believe that the Notice, in its fundamental aspects, is a professional and well-reasoned effort to balance the considerations identified by the Commission to be at issue in the Order. For PFM's part, unless the perfect is to be allowed to become the enemy of the good in securities regulation, the Notice should be allowed to become effective.

In our submission, the question presented by the Commission, "whether the MSRB's proposal is consistent with the requirements of Section 15(b)(2)(C))" of the Exchange Act, answers itself. In response to the issue framed by the Order - - whether the information which the Notice requires brokers to give to issuers for the purpose of "evaluating underwriters and the transactions proposed by the underwriters [would be] overly burdensome for the

underwriters" *(emphasis added)* - - it should not be feared that the underwriting community, of enormous economic power throughout the world, will be unhorsed by these simple duties. While the January 30, 2012 comment letter of the Bond Dealers of America asserts that independent municipal advisors "have been in the middle of" (whatever that means) recent municipal finance problems, we think that it would take a strenuous effort to paint-out the evidence of the participation of leading brokers and their affiliates in those same transactions, the handsome fees which they received, and in some cases, the massive damages they paid when their wrongdoing was uncovered.

Finally, we take the liberty of urging again that the Commission and the Board acknowledge plainly that brokers are statutory municipal advisors under Dodd-Frank until they negotiate with the issuer the binding terms of the purchase or distribution of bonds. This is the issue which the Commission reserved in its treatment of amended Rule G-23, and it will not go away. Indeed, in the language of the Order emphasized above, as an example, the Commission recognized that brokers are in the business of promoting securities offerings to municipal entities. The choice lies between brokers adhering to the Dodd-Frank rule that municipal securities advice must be given with competence and uncompromised loyalty to the issuer, on the one hand, and the solution offered by some in the broker community that those obligations go away if the broker begins by asserting that it is an "underwriter", on the other hand. Until the Commission gives clear effect to the defined words of the statute, this issue will continue to rebound within the Commission's regulated community and ultimately will be taken to courts to be resolved without the principal regulator's guidance.

Respectfully submitted,

John H. Bonow
Chief Executive Officer

JHB:plj