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February 16, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
(e-mail transmission)

Dear Secretary Murphy:

Re: File Number S7-45-10

This is in response to your request for comments on the proposed rules relating to municipal advisors, set forth in SEC Rel. No. 34-63576 (Dec. 20, 2010).

We have reviewed many of the comment letters filed to date, which set forth concerns: (i) that municipal entities and, generally, obligated persons either are their governing board or operate through the governing board and, in either event, the construct that a board member can be a municipal advisor to such board or the related municipal entity or obligated person is fundamentally flawed; (ii) that the distinction between elected and non-elected members of the governing board of a municipal entity in determining who is an "employee" within the meaning of Section 15B(e)(4)(A) of the Securities Exchange Act of 1934 (the "1934 Act") is artificial; (iii) that the assumption that non-elected members of boards of municipal entities are not accountable is incorrect and reflects a misunderstanding of how such boards operate and how such board members are appointed and their responsibilities; (iv) that subjecting non-elected board members of municipal entities and board members of obligated persons to the registration requirements and expense, federal fiduciary standards, and federal securities law liability, can only have the effect of discouraging participation; and (v) that an employee of municipal entity A who provides services to, but is not an employee of, municipal entity B, should be exempt under Section 15B(e)(4)(A) if both entities operate for the benefit of the same governmental unit, whether at the state, county, or municipal level. We agree with such comments.

Our preference would be for the release accompanying the final rules to recognize and confirm that neither the governing board nor a member of a governing board of a municipal entity or obligated person can be a municipal advisor to such municipal entity or obligated person, as appropriate (or when acting for such entity or person).

If such preference is not implemented, then we respectfully offer a drafting suggestion to address the concerns raised in the second paragraph of this letter. This drafting suggestion focuses on the interpretation of the word "advice" rather than an interpretation of the word "employee". Section 15B(e)(4)(A)(i) defines a "municipal advisor" as one who "provides *advice* to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities." We understand the legitimate concerns of the Commission and the staff that an individual's service as a member of the board of a municipal entity or of an obligated person should not exempt him or her from federal regulation as a municipal advisor, if that individual separately acts as a compensated financial advisor to the municipal entity or obligated person, or if his or her board participation is compromised by the private interests of the individual or of a firm with which he or she is associated. These concerns could be addressed and the points raised in the various comment letters could be satisfied if the rules clarified that "a person is not providing 'advice' within the meaning of Section 15B(e)(4)(A)(i) if he or she is acting within the scope of his or her obligations or responsibilities as a board member or an employee of a municipal entity or obligated person, as applicable, under applicable state or local law." If a person violated state or local law regarding conflicts of interest, such person would not be acting within the scope of his or her obligations under state or local law, and in any event would be subject to whatever are the statutorily-defined penalties for such violation.

Very truly yours,

Hawkins Delafield & Wood LLP