



SWS GROUP | **SOUTHWEST SECURITIES**
Building what you value.

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November 9, 2010

Ms. Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

In regard to File Number SR-MSRB-2010-10

Dear Ms. Murphy:

We appreciate the opportunity to provide comments on the Securities and Exchange Commission's ("SEC") Release No. 34-63095, the Municipal Securities Rulemaking Board's ("MSRB") "Notice of Filing of Proposed Rule Change Consisting of Amendments to Rule A-13 To Increase Transaction Assessments for Certain Municipal Securities Transactions Reported to the Board and To Institute a New Technology Fee on Reported Sales Transactions" (the "Notice").

For nearly four decades SWS Group, Inc. has operated through its' registered broker dealer, Southwest Securities Inc., in four primary business segments – retail brokerage, clearing services, banking, and institutional brokerage. During the last fiscal year ended June 30, 2010, there were over 188,000 customer accounts held within SWS. The total asset value of these accounts was valued over \$27.8 Billion. Municipal trades during this period exceeded 512,000 with over 44,000 accounts and totaled \$111 Billion (in face value).

We oppose the above referenced MSRB proposal and are quite supportive of SIMFA's letter on behalf of our trade organization.

We would especially emphasize the opaque process undertaken by the MSRB in regard to developing this fee proposal, particularly during a time in which the entire securities industry is justifiably embracing transparency. As well, the MSRB already has a large accumulated surplus and its model does not promote the appropriate sharing of costs and burden amongst all impacted membership. The new and increased fees severely and negatively affect retail investors across the country regardless of the firm conducting municipal activity.

We urge the SEC, the MSRB, and municipal participants to work together in a transparent fashion to develop a revenue model that shares the costs of funding the MSRB equitably. Consequently, we urge the SEC to reject the proposed new increased fees in the Notice.

Very truly yours,

Richard H. Litton
Executive Vice President