Text of Amendment

■ For the reasons set out in the preamble, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

■ 1. The authority citation for part 200, subpart A, continues to read in part as follows:

Authority: 15 U.S.C. 77o, 77s, 77sss, 78d, 78d–1, 78d–2, 78w, 78*ll*(d), 78mm, 80a–37, 80b–11, and 7202, unless otherwise noted.

* * * * *

■ 2. Section 200.30–4 is amended by adding paragraph (a)(15) to read as follows:

§ 200.30–4 Delegation of authority to Director of Division of Enforcement.

* * * * *

(a) * * *

(15) With respect to debts arising from actions to enforce the federal securities laws, to terminate collection activity or discharge debts, to accept offers to compromise debts when the principal amount of the debt is $5 million or less, to reject offers to compromise debts, and to accept or reject offers to enter into payment plans.

* * * * *

By the Commission.

Dated: September 1, 2010.

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2010–22241 Filed 9–7–10; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 240 and 249

[Release No. 34–62824; File No. S7–19–10]

RIN 3235–AK69

Temporary Registration of Municipal Advisors

AGENCY: Securities and Exchange Commission.

ACTION: Interim final temporary rule; Request for comments.

SUMMARY: The Commission is adopting an interim final temporary rule that establishes a means for municipal advisors, as defined in the Dodd-Frank Wall Street Reform and Consumer Protection Act [1] ("Dodd-Frank Act"), to satisfy temporarily the requirement that they register with the Commission by October 1, 2010.

DATES: *Effective Date:* October 1, 2010 through December 31, 2011. Comments should be received on or before October 8, 2010.

ADDRESSES: Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/interim-final-temp.shtml*); or
- Send an e-mail to *rule-comments@sec.gov.* Please include File No. S7–19–10 on the subject line; or
- Use the Federal eRulemaking Portal (*http://www.regulations.gov*). Follow the instructions for submitting comments.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File No. S7–19–10. This file number should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/interim-final-temp.shtml*). Comments are also available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street, NE., Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 p.m. All comments received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT: Martha Mahan Haines, Assistant Director and Chief, Office of Municipal Securities, at (202) 551–5681; Ira L. Brandriss, Special Counsel, Office of Market Supervision, at (202) 551–5651; Steve L. Kuan, Special Counsel, Office of Market Supervision, at (202) 551–5624; Rahman J. Harrison, Special Counsel, Office of Market Supervision, at (202) 551–5663; Steven Varholik, Special Counsel, Office of Market Supervision, at (202) 551–5615; Leigh W. Duffy, Attorney-Adviser, Office of Market Supervision, at (202) 551–2938; or any of the above at Division of Trading and Markets, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–6628.

SUPPLEMENTARY INFORMATION: The Commission is adopting new Rule 15Ba2–6T [2] under the Securities Exchange Act of 1934 [3] (the "Exchange Act") as an interim final temporary rule. The rule will expire at 11:59 p.m. Eastern Time on December 31, 2011. The Commission is soliciting comments on all aspects of the interim final temporary rule. The Commission will carefully consider any comments received and intends to respond as necessary or appropriate. The Commission expects to consider a proposal for a final permanent registration program, including detailed requirements for the registration of municipal advisors, and to seek public comment on the proposal before its adoption. Persons interested in commenting on the final permanent municipal advisor registration program should submit comments to the subsequent proposal.

I. Introduction

As part of the Dodd-Frank Act, signed into law by President Obama on July 21, 2010, Congress amended Section 15B(a) of the Exchange Act [4] to, among other things, make it unlawful for municipal advisors, as defined below,[5] to provide certain advice or solicit municipal entities or certain other persons without registering with the Commission.[6] The registration requirement for municipal advisors becomes effective on October 1, 2010, meaning that municipal advisors must be registered on that date in order to continue their municipal advisory services.[7]

The Commission is today adopting, on an interim final temporary basis, new Rule 15Ba2–6T [8] under the Exchange Act, which will permit municipal advisors to temporarily satisfy the registration requirement. The adoption of Rule 15Ba2–6T serves as a transitional step to the implementation of a final permanent registration program, makes relevant information available to the public and municipal entities, and permits municipal advisors to continue their business after October 1, 2010. A municipal advisor may temporarily satisfy the statutory registration requirement by submitting certain information electronically through the Commission's public Web

[1] *See* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111–203 (2010).

[2] 17 CFR 240.15Ba2–6T.

[3] 15 U.S.C. 78a *et seq.*

[4] 15 U.S.C. 78*o*–4(a). All references in this Release to the Exchange Act refer to the Exchange Act as amended by the Dodd-Frank Act.

[5] *See infra* Section II.A.

[6] *See* Section 975(a)(1)(B) of the Dodd-Frank Act; 15 U.S.C. 78*o*–4(a)(1)(B).

[7] *See* Section 975(i) of the Dodd-Frank Act.

[8] 17 CFR 240.15Ba2–6T.

site on new Form MA–T, which is designed for this purpose.[9]

Because entry of information into Form MA–T will require establishing an account and securing access credentials (username and password) as explained in more detail below, municipal advisors are advised to allow ample time to establish an account and obtain such credentials and complete the form before October 1, 2010.[10] The form and instructions for requesting access credentials will be accessible through a link located on the Commission's Web site, *http://www.sec.gov,* beginning on or about September 1, 2010.

II. Discussion

Section 15B(a)(1) of the Exchange Act, as amended by Section 975(a)(1)(B) of the Dodd-Frank Act, makes it unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person, unless the municipal advisor is registered with the Commission.[11] Section 15B(a)(2) of the Exchange Act, as amended by Section 975(a)(2) of the Dodd-Frank Act, provides that a municipal advisor may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning the municipal advisor and any person associated with the municipal advisor as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

The Commission is adopting an interim final temporary rule, Rule 15Ba2–6T, in order to provide a method for municipal advisors to temporarily satisfy the statutory registration requirement of Section 15B(a)(1) of the Exchange Act (as amended by Section 975(a)(1) of the Dodd-Frank Act) until the Commission has promulgated a final permanent registration program. The interim final temporary rule will expire on December 31, 2011.

As described in detail below, Form MA–T will require a municipal advisor to indicate the purpose for which it is submitting the form (*i.e.,* initial application for, or amendment or withdrawal of temporary registration), provide certain basic identifying and contact information concerning its business, indicate the nature of its municipal advisory activities, and supply information about its disciplinary history and the disciplinary history of its associated municipal advisor professionals. The Commission carefully considered alternatives to the adoption of an interim final temporary rule before deciding to adopt Rule 15Ba2–6T. It considered, for example, whether it would be preferable to issue a broad-based exemption from the Dodd-Frank Act's registration requirement [12] in order to allow the Commission time to consider a final permanent registration program before municipal advisors would be required to submit any registration form. In light of the October 1, 2010 effective date that Congress set for Section 975 of the Dodd-Frank Act, delaying implementation of any registration for municipal advisors and not accommodating temporary registration would not appear to achieve the purposes intended by Congress in selecting an October 1, 2010 registration date.

The Commission also considered and weighed the relative costs and benefits of requiring disciplinary information in the context of the temporary registration contemplated by Form MA–T. The Commission has determined to require disclosure of disciplinary information on Form MA–T because of the value it will have for the Commission's oversight of municipal advisors and their activities in the municipal securities market, and because of the importance of such disciplinary information to investors, issuers and others in choosing a municipal advisor, engaging in transactions with a municipal advisor, or participating in transactions in municipal securities issued in offerings for which a municipal advisor provided municipal advisory services.

The Commission believes that providing a temporary registration process for municipal advisors, pursuant to an interim final temporary rule effective on October 1, 2010, is a necessary and appropriate way to proceed, is consistent with the intent of Congress in enacting Section 975, and is a tailored way to provide investors and municipal entities with basic and important information quickly while the Commission considers a permanent registration program. The Commission requests comment generally on the decision to require temporary registration on Form MA–T and the specific information required to be reported on the form. The Commission also requests comment on the Commission's determinations discussed above and on whether there are alternatives not discussed above that the Commission should consider.

A. Definition of Municipal Advisor

Section 15B(e) of the Exchange Act, as amended by Section 975(e) of the Dodd-Frank Act, defines the term "municipal advisor" to mean a person (who is not a municipal entity or an employee of a municipal entity) (1) that provides advice to or on behalf of a municipal entity [13] or obligated person [14] with respect to municipal financial products [15] or the issuance of municipal securities,[16] including advice with

[9] 17 CFR 249.1300T. A municipal advisor that completes the temporary registration form and receives confirmation from the Commission that the form was filed will be temporarily registered for purposes of Section 15B. *See also infra* notes 47–48 and accompanying text.

[10] In order to establish an account and obtain access credentials with the temporary registration system for Form MA–T on the Commission's secure Web site, a submitter will need to fill out general user information fields such as name, address, phone number, e-mail address, organization name and employer identification number, and user account information (*i.e.,* username and password), and to select and answer a security question. Once accepted by the temporary registration system, the submitter will receive an e-mail notification that the account has been established and the submitter will be able to access and complete Form MA–T. The Commission staff anticipates that submitters will ordinarily obtain access credentials the same day that they are requested. However, to avoid the possibility of delay, all municipal advisors are encouraged to allow ample time to establish an account and obtain access credentials and complete Form MA–T by October 1, 2010.

[11] For definitions of the terms "municipal entity," "obligated person," "municipal financial product," and "solicitation of a municipal entity or obligated person," *see infra,* notes 13–17.

[12] *See* Section 15B(a)(4) of the Exchange Act, as amended by Section 975(a)(4) of the Dodd-Frank Act.

[13] "Municipal entity" is defined to mean any State, political subdivision of a State, or municipal corporate instrumentality of a State, including: Any agency, authority, or instrumentality of the State, political subdivision, or municipal corporate instrumentality; any plan, program, or pool of assets sponsored or established by the State, political subdivision, or municipal corporate instrumentality or any agency, authority, or instrumentality thereof; and any other issuer of municipal securities. *See* Section 15B(e) of the Exchange Act, as amended by Section 975(e) of the Dodd-Frank Act.

[14] "Obligated person" is defined to mean any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support the payment of all or part of the obligations on the municipal securities to be sold in an offering of municipal securities. *See id.*

[15] "Municipal financial product" is defined to mean municipal derivatives, guaranteed investment contracts, and investment strategies. "Investment strategies" includes plans or programs for the investment of the proceeds of municipal securities that are not municipal derivatives, guaranteed investment contracts, and the recommendation of and brokerage of municipal escrow investments. *See id.*

[16] The statute specifically includes within the meaning of municipal advisor, someone who provides advice with respect to the structure, timing, terms, and other similar matters concerning municipal financial products or issues. *See id.*

respect to the structure, timing, terms, and other similar matters concerning such financial products or issues, or (2) that undertakes a solicitation [17] of a municipal entity. The definition specifically includes "financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents, solicitors, finders, and swap advisors" that provide municipal advisory services.[18] The definition of "municipal advisor" explicitly excludes a broker, dealer, or municipal securities dealer serving as an underwriter,[19] as well as attorneys offering legal advice or providing services that are of a traditional legal nature and engineers providing engineering advice are also excluded.[20]

The Dodd-Frank Act also excludes from the definition "any investment adviser registered under the Investment Advisers Act of 1940, or persons associated with such investment advisers who are providing investment advice." [21] The Commission interprets this exclusion to mean that a registered investment adviser or an associated person of a registered investment adviser is excluded from the definition of "municipal advisor" if the investment adviser or associated person of the adviser provides municipal advisory services, so long as those services are investment advice for purposes of the Investment Advisers Act. A registered investment adviser or an associated person of a registered investment adviser must register with the Commission as a municipal advisor if the adviser or associated person of an adviser provides any municipal advisory services other than investment advice within the meaning of the Investment Advisers Act.[22]

The Commission similarly interprets the exclusion in the Dodd-Frank Act of "any commodity trading advisor registered under the Commodity Exchange Act or persons associated with a commodity trading advisor who are providing advice related to swaps." Accordingly, a commodity trading advisor or any person associated with a commodity trading advisor is excluded from the definition of "municipal advisor" if the commodity trading advisor or associated person of the commodity trading advisor provides municipal advisory services, so long as those services are advice related to swaps. A commodity trading advisor or an associated person of a commodity trading advisor must register with the Commission as a municipal advisor if the commodity trading advisor or an associated person of a commodity trading advisor provides any municipal advisory services that are not advice related to swaps.

B. Temporary Registration on Form MA–T

Pursuant to new Rule 15Ba2–6T, as of October 1, 2010, in order temporarily to satisfy the new registration requirement for municipal advisors, and thereby legally be permitted to perform, or continue to perform, municipal advisory services, a municipal advisor will need to have completed and submitted new Form MA–T through the Commission's Web site at *http://www.sec.gov* by October 1, 2010. Because entry of information into Form MA–T will require the securing of access credentials, as explained in more detail below, municipal advisors are advised to allow ample time to establish an account and obtain access credentials (username and password) and complete the form by October 1, 2010. Form MA–T will require a municipal advisor to indicate the purpose for which it is submitting the form (*i.e.,* initial temporary registration, amendment to temporary registration, or withdrawal from temporary registration), provide certain basic identifying and contact information concerning its business, indicate the nature of its municipal advisory activities, and supply information about its disciplinary history and the disciplinary history of its associated municipal advisor professionals.[23]

More specifically, the information to be supplied will include:

Basic Information

1. *Purpose for submission of Form MA–T.* A municipal advisor must indicate whether it is submitting the form for initial temporary registration as a municipal advisor, is submitting an amendment to a temporary registration as a municipal advisor, or is submitting a withdrawal from temporary registration as a municipal advisor. If the municipal advisor is submitting an amendment or withdrawing from temporary registration, it will also be necessary to provide the Municipal Advisor Registration Number assigned to the municipal advisor at the time of its initial temporary registration. This information is needed in order to determine the purpose for which Form MA–T is being submitted and to appropriately cross-reference amendments and withdrawals to the original temporary registration. The inclusion of these items will allow the same form, Form MA–T, to be used for multiple purposes: Initial temporary registration, amendments to temporary registrations and withdrawals from temporary registration.

The Commission seeks comment on the use of Form MA–T for these three purposes, whether use of the same form for multiple purposes may be confusing for registrants, and whether it would be preferable to have a separate form for each of these purposes. Will these requirements be confusing or otherwise difficult for a municipal advisor to comply with?

2. *Identifying and contact information.* A municipal advisor must indicate the full legal name of the municipal advisor and, if different, the name under which it conducts its business, the address of its principal office and place of business, the telephone number and the facsimile number, if any, at that location, and its

[17] "Solicitation of a municipal entity or obligated person" is defined to mean a direct or indirect communication with a municipal entity or obligated person made by a person, for direct or indirect compensation, on behalf of a broker, dealer, municipal securities dealer, municipal advisor, or investment adviser (as defined in Section 202 of the Investment Advisers Act of 1940, 15 U.S.C. 80b–2) that does not control, is not controlled by, or is not under common control with the person undertaking such solicitation for the purpose of obtaining or retaining an engagement by a municipal entity or obligated person of a broker, dealer, municipal securities dealer, or municipal advisor for or in connection with municipal financial products, the issuance of municipal securities, or of an investment adviser to provide investment advisory services to or on behalf of a municipal entity. *See id.*

[18] These entities, however, are only included if they provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities (including advice with respect to the structure, timing, terms and other similar matters concerning such financial products or issues) or undertake a solicitation of a municipal entity. *See* Section 975(e) of the Dodd-Frank Act. The term "municipal advisory services" as used herein means advice with respect to municipal financial products, the issuance of municipal securities, and the solicitation of a municipal entity.

[19] The term "underwriter" is defined in Section 2(a)(11) of the Securities Act of 1933. 15 U.S.C. 77b(a)(11). A broker, dealer or municipal securities dealer who provides municipal advisory services while acting in a capacity other than as an underwriter would, however, be a municipal advisor.

[20] *Id.*

[21] *See* Section 975(e) of the Dodd-Frank Act.

[22] The Commission believes that such interpretation is in furtherance of the goals of the Dodd-Frank Act to regulate municipal advisors, a category of persons previously unregulated.

[23] Every temporary registration and each amendment to a temporary registration or withdrawal from temporary registration filed pursuant to the rule shall constitute a "report" within the meaning of Sections 15B(c), 17(a), 18(a) and 32(a) and other applicable provisions of the Exchange Act. *See* Rule 15Ba2–6T(c). As a consequence, it would be unlawful for a municipal advisor to willfully make or cause to be made, a false or misleading statement of a material fact or omit to State a material fact in the Form MA–T.

general e-mail address and Web site, if any. In addition, the municipal advisor must supply its mailing address, if it is different from its principal office and place of business, as well as the name and title of a person whom the municipal advisor has authorized to receive information and respond to questions about the registration (the "contact person") and the address, telephone number and facsimile number, if any, and e-mail address, if any, of the contact person.

The Commission is requesting this identifying and contact information to determine whether a particular municipal advisor has submitted a temporary registration, to contact a person at the municipal advisor if Commission staff have any questions or wish to arrange for an inspection, and to send information to the municipal advisor.

The Commission requests comment concerning the appropriateness of requiring this identifying and contact information, including whether additional information should be required or whether different information would be better suited for this purpose. In particular, might it be confusing or otherwise difficult for a municipal advisor to supply this information?

3. *Other regulatory identifying information.* Form MA–T also requires a municipal advisor to provide its Employer Identification Number (used with respect to Internal Revenue Service matters), but not—in the case of a sole proprietor, for example—a Social Security Number. If the municipal advisor is also registered with the Commission as an investment adviser, broker, dealer, or municipal securities dealer, it will be required to provide its related SEC file number or numbers. In addition, if the municipal advisor has a number (a "CRD Number") assigned to it either under the Financial Industry Regulatory Authority's ("FINRA") Central Registration Depositary ("CRD") system or the Investment Adviser Registration Depository ("IARD") system, it will be required to provide its CRD Number.

The Commission seeks this information to more effectively cross-reference those entities registered as municipal advisors to those who are registered as brokers, dealers, municipal securities dealers or investment advisers. This ability to cross-reference will allow the Commission to assemble more complete information concerning a municipal advisor who is also registered as a broker, dealer, municipal securities dealer or investment adviser and to plan for and carry out efficient and effective examinations of such entities.[24] In addition, by obtaining all of a registrant's regulatory file numbers, the Commission will be able to cross-reference disciplinary information that is submitted to the CRD or IARD systems with that submitted on Form MA–T.

The Commission seeks comment concerning the requirement to supply SEC file numbers and CRD Numbers. Will this requirement be confusing or otherwise difficult for a municipal advisor to comply with? Would the use of other identifying numbers be more useful or appropriate or should no identifying numbers be required?

Nature of Municipal Advisory Activities

Form MA–T requires the municipal advisor to indicate the general types of municipal advisory services that it provides. The following eight activities are listed, together with a checkbox for each: (1) Advice concerning the issuance of municipal securities, (2) advice concerning the investment of the proceeds of municipal securities, (3) advice concerning guaranteed investment contracts, (4) recommendation and/or brokerage of municipal escrow investments, (5) advice concerning the use of municipal derivatives (*e.g.,* swaps), (6) solicitation of business from a municipal entity or obligated person for an unaffiliated person or firm (*e.g.,* third party marketers, placement agents, solicitors and finders), (7) preparation of feasibility studies, tax or revenue projections, or similar products in connection with offerings or potential offerings of municipal securities, and (8) other. Registrants who check "other" activities will be required to provide a narrative description of such activities. Activities one to six above are derived from the definition of municipal advisor in the Dodd-Frank Act.[25] Activity number seven above (the preparation of feasibility studies, tax or revenue projections, or similar products in connection with offerings or potential offerings of municipal securities) was included because these services are sometimes provided by financial advisors (some of whom may be municipal advisors) to municipal entities. This information, together with information under item eight (other), will assist the Commission in understanding the scope of activities in which a municipal advisor engages.

The Commission is seeking this information in order to better understand the activities of municipal advisors. This information is necessary to understand the basis for registration and will assist Commission staff to better plan and prepare for inspections and examinations[26] of municipal advisors.

The Commission seeks comment concerning the requirement for a municipal advisor to supply information in Form MA–T concerning the general types of municipal advisory services it provides. In particular, will it be confusing or otherwise difficult for a municipal advisor to provide this information? Are the categories of municipal advisory services appropriate or should additional or other categories be included? Are there considerations relating to the business of municipal advisors, or of some types of municipal advisors, that the Commission may not have taken into account in connection with this list of municipal advisory services?

Disciplinary Matters

Section 975 of the Dodd-Frank Act amended section 15B of the Exchange Act to direct the Commission, by order, to censure, place limitations on the activities, functions, or operations, suspend for a period not exceeding twelve months, or revoke the registration of any municipal advisor, if it finds[27] that such municipal advisor has committed or omitted any act, or is subject to an order or finding, enumerated in subparagraph (A),[28] (D),[29] (E),[30] (H),[31] or (G)[32] of paragraph (4) of section 15(b) of the Exchange Act; has been convicted of any offense specified Section 15(b)(4)(B)[33] of the Exchange Act within ten years of the commencement of the proceedings under section 15(c); or is enjoined from any action, conduct, or practice specified in Section 15(b)(4)(C)[34] of the Exchange Act.[35] Item 3 of Form MA–T includes questions intended to solicit information from a municipal advisor concerning any of its activities or

[24] *See* 15 U.S.C. 78*o*–4(c)(7).

[25] *See* Section 15B(e)(4) of the Exchange Act as added by Section 975(e)(4) of the Dodd-Frank Act.

[26] *See* Section 17(a)(1) of the Exchange Act, as amended by Section 975(h) of the Dodd-Frank Act.

[27] Such findings must be on the record after notice and opportunity for hearing and include a finding that the particular disciplinary action is in the public interest. *See* Section 15B(c)(2) of the Exchange Act, as amended by Section 975(c)(3) of the Dodd-Frank Act. *See also* 17 CFR 201.

[28] *See* 15 U.S.C. 78*o*(b)(4)(A).

[29] *See* 15 U.S.C. 78*o*(b)(4)(D).

[30] *See* 15 U.S.C. 78*o*(b)(4)(E).

[31] *See* 15 U.S.C. 78*o*(b)(4)(H).

[32] *See* 15 U.S.C. 78*o*(b)(4)(G).

[33] *See* 15 U.S.C. 78*o*(b)(4)(B).

[34] *See* 15 U.S.C. 78*o*(b)(4)(C).

[35] The Commission has the same authority with respect to municipal securities dealers. *See* 15 U.S.C. 78*o*–4(c).

activities of certain of its associated persons that could subject the municipal advisor to disciplinary actions by the Commission under such subparagraphs of Section 15(b)(4) of the Exchange Act.

In addition to its value generally for the Commission's oversight of the municipal securities markets, the Commission seeks this information because it may indicate that a municipal advisor could be statutorily disqualified from acting as a municipal advisor.[36] In addition, the Commission wishes to make this important information available to municipal entities and obligated persons who engage municipal advisors and to investors who may purchase securities from offerings in which municipal advisors participated.

The disciplinary information to be disclosed is substantially similar to the information required to be disclosed in Form BD for broker-dealers.[37] Specifically, Form MA–T asks questions concerning the disciplinary history of the municipal advisor and of its associated municipal advisor professionals. The Commission defines the term "associated municipal advisor professional" in the glossary section of Form MA–T to mean: (A) Any associated person of a municipal advisor primarily engaged in municipal advisory activities; (B) any associated person of a municipal advisor who is engaged in the solicitation of municipal entities or obligated persons; (C) any associated person who is a supervisor of any persons described in subparagraphs (A) or (B); (D) any associated person who is a supervisor of any person described in subparagraph (C) up through and including, the Chief Executive Officer or similarly situated official designated as responsible for the day-to-day conduct of the municipal advisor's municipal advisory activities; and (E) any associated person who is a member of the executive or management committee of the municipal advisor or a similarly situated official, if any; and excludes any associated person whose functions are solely clerical or ministerial. The definition of associated municipal finance professional is derived from the definition of "municipal finance professional" set forth in Rule G–37 of the Municipal Securities Rulemaking Board.

The Commission has chosen to limit this inquiry to a subgroup (associated municipal advisor professionals) for purposes of temporary registration in order to obtain information about those associated persons[38] who are closely associated with an advisor's municipal advisory activities, *i.e.,* those who are primarily engaged in an advisor's municipal advisory activities, have supervisory responsibilities over those primarily engaged in municipal advisory activities, are engaged in day-to-day management of the conduct of an advisor's municipal advisory activities, or are responsible for executive management of the advisor. The Commission believes this is an appropriate definition to use for purposes of temporary registration because it will allow the Commission to obtain, and municipal entities, obligated persons and investors to have access to, information about those persons who may be most relevant to an advisor's municipal advisory services, while excluding information about persons at a firm whose activities may have less bearing on the provision of such services.

The Commission seeks comment concerning whether this limitation is appropriate, whether it excludes persons whose disciplinary history may be relevant to a municipal advisor's activities, or whether it includes persons whose disciplinary history is not sufficiently relevant to a municipal advisor's activities to warrant disclosure. In addition, the Commission solicits specific suggestions as to how the disclosure regarding associated persons whose actions are covered by Item 3 of Form MA–T might be improved for purposes of a permanent registration program or whether the current limitation to associated municipal advisory professionals is suitable.

In addition, the Commission notes that the time-period limits for disclosure on Form MA–T are consistent with the disclosure reporting requirements on Form BD, adopted pursuant to Section 15(b)(4) of the Exchange Act. Specifically, with respect to felonies and misdemeanors involving investments or an investment-related business, Form MA–T requires disclosures of matters within the last ten years. With respect to whether the municipal advisor or any associated municipal advisor professional was enjoined by any domestic or foreign court in connection with any investment-related activity, Form MA–T similarly requires disclosures of matters within the last ten years. Disclosure is also required concerning any orders entered against the municipal advisor or any associated municipal advisor professional by any Federal or State regulatory agency other than the SEC and Commodity Futures Trading Commission ("CFTC")[39] or by any foreign financial regulatory authority within the last ten years.

With respect to all other matters identified on Form MA–T (including Federal, State, and foreign regulatory actions and actions taken by self-regulatory organizations), no time limit is placed on disclosure. The Commission believes that it is important to collect information about matters within these timeframes because, under the Exchange Act, the Commission could use such matters to form the basis for an action to suspend or revoke a municipal advisor's registration.[40]

The Commission seeks comment concerning these timeframes in connection with temporary registration of municipal advisors. Would the public and municipal entities find the full history of disciplinary information important and useful? Are these timeframes too long, such that they require disclosure of information that is no longer useful, or such that they impose an undue burden on applicants for temporary registration?

More specifically, Form MA–T asks the following, which are, in substance, the same as the disciplinary questions asked in Form BD:

1. Whether, in the past ten years, the municipal advisor or any associated municipal advisor professional has been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony or been charged[41] with any felony?

2. Whether in the past ten years, the municipal advisor or any associated municipal advisor professional has been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: Investments or an investment-related business, or any fraud, false statements, or omissions,

[36] *See id.*

[37] 17 CFR 249.501.

[38] Section 15B(e)(7) of the Exchange Act, added by Section 975(e) of the Dodd-Frank Act, defines "associated person of a municipal advisor" as any partner, officer, director, or branch manager of a municipal advisor (or any person occupying a similar status or performing similar functions); any other employee of a municipal advisor who is engaged in the management, direction, supervision, or performance of any activities relating to the provision of advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities; and any person directly or indirectly controlling, controlled by, or under common control with a municipal advisor, or an employee of a municipal advisor.

[39] With regard to the orders entered by SEC and CFTC, no time limit is placed on disclosure. *See infra* Item 3(d).

[40] *See* Section 15B(c)(2) of the Exchange Act.

[41] The Commission notes that a municipal advisor only needs to report charges that are currently pending.

wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses or has been charged [42] with a misdemeanor involving such actions?

3. Whether the SEC or the CFTC has ever: (a) Found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission, (b) found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its regulations or statutes, (c) found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted, (d) entered an order against the municipal advisor or any associated municipal advisor professional in connection with investment-related activity, or (e) imposed a civil money penalty on the municipal advisor or any associated municipal advisor professional, or ordered the municipal advisor or any associated municipal advisor professional to cease and desist from any activity.

4. Whether any other Federal regulatory agency, any State regulatory agency, or any foreign financial regulatory authority has (a) Ever found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission, or been dishonest, unfair, or unethical, (b) ever found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of investment-related regulations or statutes, (c) ever found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted, (d) in the past ten years, entered an order against the municipal advisor or any associated municipal advisor professional in connection with an investment-related activity, or (e) ever denied, suspended, or revoked the municipal advisor's or any associated municipal advisor professional's registration or license, or otherwise prevented the municipal advisor or any associated municipal advisor professional, by order, from associating with an investment-related business or restricted the municipal advisor's or any associated municipal advisor professional's activity.

5. Whether any self-regulatory organization or commodities exchange has ever (a) found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission, (b) found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC), (c) found the municipal advisor or any associated municipal advisor professional to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted, or (d) disciplined the municipal advisor or any associated municipal advisor professional by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities.

6. Whether the municipal advisor's or any associated municipal advisor professional's authorization to act as an attorney, accountant, or Federal contractor has ever been revoked or suspended.

7. Whether the municipal advisor or any associated municipal advisor professional is now the subject of any regulatory proceeding that could result in a "yes" answer to any part of the questions described in 3, 4 or 5 above.

8. Whether any domestic or foreign court has: (a) In the last ten years, enjoined the municipal advisor or any associated municipal advisor professional in connection with any investment-related activity, (b) ever found that the municipal advisor or any associated municipal advisor professional was involved in a violation of investment-related statutes or regulations, or (c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against the municipal advisor or any associated municipal advisor professional by a State or foreign financial regulatory authority?

9. Whether the municipal advisor or any associated municipal advisor professional is now the subject of any civil proceeding that could result in a "yes" answer to any part of question 8 above.

If a municipal advisor answers "yes" to any of these questions, a text box will require a brief narrative of the event or a cross-reference to disclosure of the event made through the broker-dealer or investment advisor public disclosure systems.

The Commission requests comments on all aspects of these disciplinary questions, including their appropriateness and adequacy, whether there are additional or other questions that should be included, and whether they will impose an excessive burden on municipal advisors to answer. In addition, the Commission requests comment concerning whether including the disciplinary questions in Form MA–T will impose undue hardship on, or have other consequences for, small municipal advisors. Furthermore, comment is solicited as to whether the ability to cross-reference to disciplinary disclosures on Form BD and Form ADV for investment advisers [43] will make it more difficult for municipal entities, obligated persons, investors and others to obtain this information than if it were included in Form MA–T itself. In addition, will the ability of municipal advisors to cross-reference such disclosures on Forms BD and ADV significantly reduce the burden on municipal advisors, and particularly small advisors, to complete Form MA–T?

Execution

With respect to execution of Form MA–T, the person who signs the form will be required to depose and say that he or she has executed the form on behalf of the municipal advisor and with its authority. With this execution, both the person who signs the form and the municipal advisor must represent that the information and statements made in Form MA–T are current, true and complete. The municipal advisor also will be required to consent to service of any civil action or notice of any proceeding before the Commission or self-regulatory organization regarding its advisory services via registered or certified mail to its named contact person. This is consistent with the execution provisions of Forms BD and ADV, but deletes references to State registration, bonding requirements and other inapplicable components.

The individual who signs the Form MA–T depends upon the form of organization of the municipal advisor:

- For a sole proprietorship, the sole proprietor should sign.
- For a partnership, a general partner should sign.
- For a corporation, an authorized principal officer should sign.
- For all others, an authorized individual who participates in managing or directing the municipal advisor's affairs should sign.

The Commission requests comment concerning the representations required of a person who executes Form MA–T,

[42] The Commission notes that a municipal advisor only needs to report charges that are currently pending.

[43] 17 CFR 279.1.

such as whether there should be additional or alternative representations. In addition, the Commission solicits comment regarding the requirement that the municipal advisor submit to service of process in the manner described. Would there be alternative methods to obtain such consent or should such consent not be obtained?

Amendment, Withdrawal, and Rescission

Rule 15Ba2–6T requires that a municipal advisor promptly amend Sections 1 or 3 of Form MA–T if the information therein becomes inaccurate in any way and whenever a municipal advisor wishes to withdraw from registration. A municipal advisor can amend its Form MA–T on the Commission's Web site by accessing Form MA–T and checking the box in Item 1 for an amendment and providing updated information in the relevant sections of the form. Similarly, a municipal advisor can withdraw its registration by accessing Form MA–T on the Commission's Web site and by checking the box for withdrawal on the form. In addition, pursuant to Rule 15Ba2–6T, the Commission may rescind a municipal advisors' temporary registration following notice and hearing in accordance with the Commission's Rules of Practice.[44]

Instructions and Glossary

Form MA–T includes a set of instructions for its proper completion and submission, and a glossary of terms intended, in part, to help participants in the municipal securities industry in determining whether they are municipal advisors and thus required to register. These instructions and glossary are attached to this release, together with Form MA–T. The definitions in the glossary (except for the definition of associated municipal advisor professional discussed above[45]) are derived from Form ADV and the terms in the Exchange Act, including Section 975(e) of the Dodd-Frank Act.[46] The instructions are intended to answer basic questions concerning completion of the form. Comments are requested on all aspects of the form, instructions and glossary. For example, comments are solicited concerning whether the definitions and instructions are clear and useful to a submitter and how they might be improved. In addition, comments are solicited concerning whether additional instructions or definitions would be useful.

Timing Issues

As noted above, current municipal advisors are required by statute to register with the Commission by October 1, 2010. Municipal advisors are advised to allow ample time to establish an account and obtain access credentials (username and password) and complete the on-line version of Form MA–T by the statutory deadline.

In order to establish an account and obtain access credentials to the temporary registration system for filing Form MA–T on the Commission's secure Web site, a submitter will need to fill out general user information fields such as name, address, phone number, e-mail address, organization name and employer identification number, and user account information (*i.e.,* username and password), and to select and answer a security question. Once accepted by the temporary registration system, the submitter will receive an e-mail notification that the account has been established and the submitter will be able to access and complete Form MA–T. The Commission anticipates that submitters will ordinarily obtain access credentials the same day that they are requested. To avoid the possibility of delay, municipal advisors are encouraged to allow ample time to establish an account and obtain access credentials and submit Form MA–T before October 1, 2010.

Form MA–T will be accessible through a link located on the Commission's Web site, *http://www.sec.gov,* beginning on or about September 1, 2010, at which time municipal advisors will be able to submit forms for temporary registration and to amend and withdraw such registrations through the Commission's Web site. Each Form MA–T, including each amendment to a temporary registration or withdrawal from temporary registration, is considered filed with the Commission upon its completion on the Commission Web page established for that purpose and the Commission has sent confirmation that the form was filed to the municipal advisor.

A municipal advisor that completes the temporary registration form and receives confirmation from the Commission that the form was filed will be temporarily registered for purposes of Section 15B[47] until the earlier of: (1) The date that the municipal advisor's registration is approved or disapproved by the Commission pursuant to a final rule adopted by the Commission establishing another manner of registration of municipal advisors and prescribing a form for such purpose;[48] (2) the date on which the municipal advisor's temporary registration is rescinded by the Commission; or (3) the expiration of the interim final temporary rule on December 31, 2011. Comment is requested concerning the December 31, 2011 expiration date; would an earlier or later date be more appropriate?

III. Other Matters

The Administrative Procedure Act generally requires an agency to publish notice of a proposed rulemaking in the **Federal Register.**[49] This requirement does not apply, however, if the agency "for good cause finds * * * that notice and public procedure are impracticable, unnecessary, or contrary to the public interest."[50] Further, the Administrative Procedure Act also generally requires that an agency publish an adopted rule in the **Federal Register** 30 days before it becomes effective.[51] This requirement does not apply, however, if the agency finds good cause for making the rule effective sooner.[52] The Commission finds, for good cause, that notice and solicitation of comment before adopting the new rules are impracticable, unnecessary, or contrary to the public interest.

For the reasons discussed throughout this release, the Commission finds good cause to act immediately to adopt these rules on an interim final temporary basis. The Dodd-Frank Act amended Section 15B(a)(2) of the Exchange Act to

[44] *See supra* note 23.

[45] *See supra* text accompanying notes 37–38.

[46] The following definitions in the glossary were taken from Form ADV (17 CFR 279.1): "Affiliate," "Charged," "Control," "Employee," "Enjoined," "Felony," "FINRA CRD or CRD," "Foreign Financial Regulatory Authority," "Found," "Investment-Related," "Involved," "Minor Rule Violation," "Misdemeanor," "Order," "Person," "Principal Place of Business or Principal Office and Place of Business," "Proceeding," "Related Person," and "Self-Regulatory Organization or SRO." The Commission believes that it is appropriate to conform the definitions for these terms in Form MA–T to the definitions used in Form ADV because the information sought will be used for similar purposes. In addition, inconsistency in the definitions could create unnecessary uncertainty and confusion for municipal advisors, some of whom also must file Form ADV. The following definitions in the glossary were taken from the Section 975(e) of the Dodd-Frank Act: "Associated Person of a Municipal Advisor," "Guaranteed Investment Contract," "Investment Strategies," "Municipal Advisor," "Municipal Entity," "Municipal Financial Product," "Obligated Person," and "Solicitation of a Municipal Entity or Obligated Person." "IARD" is a FINRA definition. *See supra* text accompanying notes 37–38 for the definition of "associated municipal advisor professional."

[47] *See supra* note 9.

[48] Approval of a municipal advisor's registration under the final permanent rule will replace and supersede a temporary registration.

[49] *See* 5 U.S.C. 553(b).

[50] *See id.*

[51] *See* 5 U.S.C. 553(d).

[52] *See id.*

provide that, effective on October 1, 2010, "[i]t shall be unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person, unless the municipal advisor is registered * * *" with the Commission.[53] The Commission is adopting an interim final temporary rule in order to allow municipal advisors temporarily to satisfy the registration requirement in order that they may continue to act as municipal advisors on and after October 1, 2010. Absent such means to register, municipal advisors would likely have to cease providing all municipal advisory services, which may have a significant adverse impact on their businesses and on municipal entities and obligated persons engaged in issuing municipal securities or other activities for which they obtain the advice of a municipal advisor. Some municipal entities and obligated persons do not access the capital markets frequently and depend heavily on their municipal advisors in connection with offerings of municipal securities. In addition, some municipal entities and obligated persons, such as large or frequent issuers, often have complex financial plans and large borrowing needs and use municipal advisors to supply independent, expert advice concerning long term financial planning and the use of swaps and other sophisticated financial products. The interim final temporary rule is designed to provide a method by which municipal advisors may continue to provide municipal advisory services to municipal entities and obligated persons without violating Section 15B(a)(2) of the Exchange Act.

The Commission is requesting comments on the interim final temporary rule and will carefully consider any comments received and respond to them as necessary or appropriate. The interim final temporary rule will expire on December 31, 2011. Setting a termination date for the interim final temporary rule will necessitate further Commission action no later than the end of that period. The Commission finds that there is good cause to have the rule effective as an interim final temporary rule on October 1, 2010, and that notice and public procedure in advance of effectiveness of the interim final temporary rule are impracticable, unnecessary and contrary to the public interest.[54]

IV. Paperwork Reduction Act

A. Background

Rule 15Ba2–6T and Form MA–T contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("Paperwork Reduction Act" or "PRA").[55] The title for the collection of information is "Temporary Registration of Municipal Advisors—Form MA–T" and the OMB control number for the collection of information is 3235–0659.

The Commission has submitted these requirements to the Office of Management and Budget ("OMB") for review and approval in accordance with 44 U.S.C. 3507(j) and 5 CFR 1320.13. Separately, the Commission has submitted the collection of information to OMB for review and approval in accordance with 44 U.S.C. 3507(d) and 5 CFR 1320.11. OMB has approved the collection of information related to Form MA–T on an emergency basis with an expiration date of March 31, 2011.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. As discussed above, Section 15B of the Exchange Act, as amended by the Dodd-Frank Act, requires municipal advisors (as defined in Section 975 of the Dodd-Frank Act) to register with the Commission by October 1, 2010.[56] As a transitional step to the implementation of a final permanent registration program, the Commission is today adopting, on an interim final basis, new Rule 15Ba2–6T, which will permit municipal advisors to temporarily satisfy the registration requirement.

Rule 15Ba2–6T and Form MA–T will require a municipal advisor to:

- Provide, in Item 1 of Form MA–T, basic identifying information, including name; address; telephone number; e-mail address; fax number and Web site address, if any; and Employer Identification Number (but not Social Security Number, in the case, for example, of a sole proprietor). If the municipal advisor is also registered with the Commission as an investment adviser, broker, dealer, or municipal securities dealer, it will be required to provide its Commission file number(s), and will be required to provide its CRD number under FINRA's CRD system or under IARD, if it has one;
- Indicate, in Item 2 of Form MA–T, what type of municipal advisory services it provides by checking one or more of seven activities listed on Form MA–T and/or by describing any other activities; and
- Answer "Yes" or "No" in Item 3 of Form MA–T to approximately 24 questions concerning any convictions of—or any guilty or *nolo contendere* pleas by—the municipal advisor or any of its associated municipal advisor professionals in a felony case over the last ten years, and any pending felony charges. It will also ask for information regarding the municipal advisor or any of its associated municipal advisor professionals concerning any convictions, guilty or *nolo contendere* pleas, or pending charges with respect to a misdemeanor or conspiracy to commit an offense involving investments or investment-related business, fraud, false statements, omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion during the last ten years. Form MA–T will similarly require disclosure of disciplinary sanctions imposed by the Commission, the Commodity Futures Trading Commission, and other Federal, State, or foreign regulatory authorities, or by self-regulatory agencies, organizations and commodity exchanges. In addition, it will inquire about injunctions issued by domestic or foreign courts in connection with investment-related activities, adverse findings by such courts concerning investment-related statutes or regulations and pending civil proceedings that could result in an injunction or finding.

On the execution page of Form MA–T, the municipal advisor will be required to consent to service of any civil action brought by, or notice of proceeding before the Commission or SRO in connection with its municipal advisory services via registered or certified mail or confirm telegram to its contact person. The signatory of Form MA–T on behalf of, and with the authority of, the municipal advisor will be required to represent that the information and statements contained in Form MA–T are current, true, and complete.

Completion of Item 1 of Form MA–T involves supplying basic identifying information that should be readily available to municipal advisors. Item 2 of Form MA–T describes seven types of

[53] *See* Section 975(a) of the Dodd-Frank Act.

[54] This finding also satisfies the requirements of 5 U.S.C. 808(2), allowing the rule and form to become effective notwithstanding the requirement of 5 U.S.C. 801 (if a Federal agency finds that the notice and public comment are "impracticable, unnecessary or contrary to the public interest," a rule "shall take effect at such time as the Federal agency promulgating the rule determines").

[55] 44 U.S.C. 3501 *et seq.*

[56] *See* paragraphs (a) and (i) of Section 975 of the Dodd-Frank Act.

services that may be provided by a municipal advisor, and an applicant is asked to check one or more boxes to identify any type that applies to it. If the municipal advisor provides other municipal advisory services that are not listed in the check-box list, the municipal advisor must provide a narrative description of the services. The Commission estimates that the paperwork burden of Items 1 and 2 will be approximately one-half hour.

Providing answers to the questions on Item 3 of Form MA–T entails gathering the accurate disciplinary history information regarding the municipal advisor and its associated municipal advisor professionals. Form MA–T will permit disciplinary actions previously reported in connection with other filings (such as Form BD, Form ADV, or Form U4) to be provided by referencing such other filings. The Commission notes, however, that, while an "associated person of a municipal advisor," as defined under the Dodd-Frank Act, includes a broad category of control persons and employees,[57] the information that must be provided in Item 3 of Form MA–T concerns a smaller subset of persons of this category, namely "municipal advisor professionals." A municipal advisor professional for these purposes is defined to include only persons who are directly engaged in municipal advisory activities, persons in the supervisory chain overseeing these activities, and members of the executive or management committees of the municipal advisor.[58]

The Commission believes that the size of municipal advisors will likely range from sole proprietorships to large firms, and will include firms that provide municipal advisory services as part of a broader array of financial services serving many types of clients, and may have many associated municipal advisor professionals. Thus the paperwork burden will vary from applicant to applicant, depending on its size.

The Commission has previously estimated that, in the case of Form ADV—a similar, but far more comprehensive form than Form MA–T, which must be completed for the registration of investment advisers—the average time necessary to complete the form is approximately 4.32 hours, and that estimate has been subject to notice and comment. The Commission believes that the paperwork burden of completing Form MA–T will be less than this amount of time because this form is less comprehensive than Form ADV and will thus require less time to complete. The Commission estimates that the average amount of time for a municipal advisor to complete Form MA–T is approximately 2.5 hours. This estimate includes all of the time necessary to research, evaluate, and gather all of the information that is requested in the form and all of the time necessary to complete and submit the form.[59]

Based on discussions with the MSRB, the Commission estimates that approximately 1,000 municipal advisors will be required to complete Form MA–T.[60] Thus, the total burden hours will be approximately 2,500 hours.

Once a municipal advisor temporarily satisfies the registration requirement, the municipal advisor must promptly amend Form MA–T when information concerning Items 1 or 3 on Form MA–T becomes inaccurate or to withdraw from registration. The Commission estimates that the average time necessary to complete an amended form would be approximately 30 minutes because only certain parts of the form will be completed for amendments. For the purposes of this PRA analysis, the Commission assumes that all 1,000 municipal advisors would have to amend their forms once during the period September 1, 2010 and December 31, 2011. The estimate of the number of municipal advisors that will submit amendments is likely to be lower than all 1,000 as some municipal advisors will not have any changes to their forms during this period. It is also likely that some of these 1,000 municipal advisors will have to submit more than one amendment. However, given the short transition period, the Commission believes that on balance its estimate of one amendment for each municipal advisors is conservative. Therefore, the total burden for these amendments during this period would be 500 hours,[61] and the total estimated paperwork burden for Form MA–T and keeping it properly updated is 3,000 hours.[62]

In addition, the Commission believes that some municipal advisors will seek outside counsel to help them comply with the requirements of Rule 15Ba2–6T and Form MA–T. For PRA purposes, the Commission assumes that all 1,000 municipal advisors will on average consult outside counsel for one hour to help them comply with the requirements. The Commission believes that the estimate of the number of municipal advisors that will consult outside counsel is likely to be lower than 1,000 as some municipal advisors will choose not to seek outside counsel or will rely entirely on in-house counsel. The Commission also recognizes that some municipal advisors will hire outside counsel for more than one hour and others may hire counsel for less than one hour. On balance, the Commission believes that its estimate that on average each municipal advisor will hire outside counsel for one hour is conservative. The Commission estimates that the total cost for all municipal advisors to hire outside counsel to review their compliance with the requirements of Rule 15Ba2–6T and Form MA–T to be approximately $400,000.[63]

B. Collection of Information Is Mandatory

Any collection of information pursuant to Rule 15Ba2–6T and Form MA–T is a mandatory collection of information.

C. Responses to Collection of Information Will Not Be Kept Confidential

The collection of information made pursuant to Rule 15Ba2–6T will not be confidential and will be made publicly available. The collection of information that will be provided pursuant to the Form MA–T will be publicly available via the Internet.

[57] *See* Section 975(e) of the Dodd-Frank Act.

[58] *See supra* text accompanying notes 37–38.

[59] The Commission notes that some municipal advisors that are required to register under Rule 15Ba2–6T will also be registered with the Commission as broker-dealers and/or investment advisers. The Commission believes that these persons could require less time to research and complete this temporary registration process to the extent information contained in those other registration(s) can be cross-referenced, avoiding the need to repeat information on Form MA–T.

[60] Telephone call between Martha Mahan Haines, Commission, and Ernesto Lanza, General Counsel, MSRB on August 17, 2010 (estimating the number of persons required to complete Form MA–T). The MSRB is the self-regulatory organization created by Congress to oversee the municipal securities market.

[61] 500 hours = 1,000 (persons required to amend Form MA–T) × 0.5 (30 minutes) (estimated time to complete amended Form MA–T).

[62] 3,000 = 2,500 hours (total estimated burden to complete Form MA–T for all municipal advisors) + 500 hours (total estimated burden to complete amendments to Form MA–T for all municipal advisors).

[63] $400,000 = 1,000 (estimated number municipal advisors that hire outside attorney) × 1 hour (estimated time spent by outside attorney to help municipal advisor comply with rule) × $400 (hourly rate for an attorney). The $400 per hour figure for an attorney is from the Securities Industry and Financial Markets Association's publication titled *Management & Professional Earnings in the Securities Industry 2009*, as modified by Commission staff to account for an 1,800 hour work year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

V. Cost-Benefit Analysis

A. Introduction

The Commission is sensitive to the costs and benefits of its rules. The Commission has identified certain costs and benefits of Rule 15Ba2–6T and Form MA–T and request comment on all aspects of this cost-benefit analysis. Where possible, the Commission requests that commenters provide empirical data to support any positions advanced.

The Commission is adopting, as an interim final temporary rule, Rule 15Ba2–6T and Form MA–T for the temporary registration of municipal advisors. The Commission is adopting this rule and Form MA–T in response to the changes implemented by the Dodd-Frank Act, which prohibits municipal advisors from providing municipal advisory services to a municipal entity or obligated person, unless the municipal advisor is registered.

B. Benefits

Section 975 of the Dodd-Frank Act generally is intended to strengthen oversight of municipal securities and broaden current municipal securities market protections to cover, among other things, previously unregulated market participants. Rule 15Ba2–6T and Form MA–T are designed to meet this objective temporarily by requiring each municipal advisor to provide basic identifying information about itself, a description of its activities, and facts regarding its disciplinary history, if any, and that of any of its associated municipal advisor professionals. This transitional registration process will allow municipal advisors to temporarily satisfy the registration requirement in order that they may continue to act as municipal advisors on and after October 1, 2010. Absent such a means to register, municipal advisors would have to cease providing municipal advisory services, which may have a significant adverse impact on their businesses and on municipal entities and obligated persons engaged in issuing municipal securities or other activities for which they obtain the advice of a municipal advisor. The interim final temporary rule is designed to provide a method by which municipal advisors may continue to provide municipal advisory services to municipal entities and obligated persons without violating Section 15B(a)(2) of the Exchange Act.

In addition, disclosure of the disciplinary history of every municipal advisor—sole proprietor or large firm—and every municipal advisor professional will become available, not only to regulators, but also to all members of the investing community, benefitting investors, municipal entities and the general public in the area of municipal investments. Municipal entities issuing securities and obligated persons will have access to this information and thus will be more fully informed when choosing those who would guide them and issue and support quality investment vehicles. Also, the standardization of the required disclosure format would lower the costs for municipal entities in comparing municipal advisors. Lower costs generally make the market more competitive. The Commission believes that this will benefit the municipal market, and ultimately could benefit State and local governments that raise funds for the good and welfare of their citizens, including roads, bridges, energy and other necessary utility infrastructures, as well as education, health, safety, and the wide range of other benefits and social support that these governments provide.

C. Costs

In promulgating the provisions of Section 975 of the Dodd-Frank Act, Congress established a mandatory registration regime for municipal advisors. The establishment of this Congressionally-mandated regulatory regime for municipal advisors will impose burdens on municipal advisors to register with the Commission and to comply with Commission rules. In order to temporarily satisfy the registration requirement, municipal advisors must complete Form MA–T on the Commission's public Web site. The Commission believes that municipal advisors will principally incur these costs when the rule and the form take effect on October 1, 2010. As noted in the PRA section above, the Commission estimated that the total one-time reporting burden for all municipal advisors to complete Form MA–T would be approximately 2,500 hours. Based on this estimate, the Commission believes the total labor cost for all municipal advisors to complete the Form MA–T will be approximately $735,000.[64] Municipal advisors will also incur costs when they need to amend or withdraw the registration. As noted in the PRA section above, the Commission estimated that the total hourly burden for all municipal advisors to complete an amended Form MA–T would be approximately 500 hours. Based on this estimate, the Commission believes the total annual labor cost for all municipal advisors to complete an amended Form MA–T will be approximately $147,000.[65] In addition to the costs associated with completing and amending Form MA–T, the Commission also believes that some persons will incur costs associated with hiring outside counsel to help them determine whether they must file and to comply with the requirements of Rule 15Ba2–6T and Form MA–T. As noted in the PRA section above, the Commission estimated that the total cost for all municipal advisors to hire outside counsel to review their compliance with the requirements of Rule 15Ba2–6T and Form MA–T to be approximately $400,000.[66]

The Commission does not believe that the process of temporary registration through Form MA–T will be particularly burdensome—given the brevity of the form, its convenient availability online, and the automated manner of submitting the information. However, costs will be incurred in completing the disciplinary information sections of Form MA–T, which will demand care in compiling legally accurate statements of disciplinary history of a municipal advisor and its associated municipal advisor professionals. The Commission has reflected these estimated costs discussed above. The Commission also recognizes the possibility that the cost of registering could be passed on to the municipal entity customers of municipal advisors in the form of higher fees. Given the relatively small magnitude of these costs and the large number of municipal entity issuers (nearly 51,000 issuers as of 2009),[67] the Commission expects any increase in municipal advisory fees attributable to registration would be minimal.

[64] 2,500 hours (total estimated hourly burden under the rule for all municipal advisors to complete a Form MA–T) × $294 (hourly rate for a Compliance Manager) = $735,000. The $294 per hour figure for a Compliance Manager is from the Securities Industry and Financial Markets Association's publication titled *Management & Professional Earnings in the Securities Industry 2009,* as modified by Commission staff to account for an 1,800 hour work year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

[65] 500 hours (total estimated hourly burden under the rule for all municipal advisors to complete an amended Form MA–T) × $294 (hourly rate for a Compliance Manager) = $147,000. The $294 per hour figure for a Compliance Manager is from the Securities Industry and Financial Markets Association's publication titled *Management & Professional Earnings in the Securities Industry 2009,* as modified by Commission staff to account for an 1,800 hour work year and multiplied by 5.35 to account for bonuses, firm size, employee benefits and overhead.

[66] *See supra* Section IV.A.

[67] *See* Securities Exchange Act Release No. 62184A (May 26, 2010), 75 FR at 33101 (June 10, 2010).

D. Request for Comment

The Commission requests comment on all aspects of this cost-benefit analysis. Commenters should address in particular whether Rule 15Ba2–6T and Form MA–T will generate the anticipated benefits or impose any other costs in municipal advisors. The Commission also requests comment as to any costs or benefits associated with Rule 15Ba2–6T and Form MA–T that may not have been considered here, including whether the costs associated with the rule will have a disproportionate impact on certain municipal advisors.

VI. Promotion of Efficiency, Competition, and Capital Formation

Section 3(f) of the Exchange Act requires the Commission, whenever it engages in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action would promote efficiency, competition and capital formation.[68] In addition, Section 23(a)(2) of the Exchange Act requires the Commission, when making rules under the Exchange Act, to consider the impact such rules would have on competition.[69] Exchange Act Section 23(a)(2) prohibits the Commission from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. As discussed below, the Commission believes that Rule 15Ba2–6T may promote efficiency and competition, and is likely to have no impact on capital formation.

A. Efficiency

In adopting Rule 15Ba2–6T, the Commission has considered its effect on efficiency, competition and capital formation. Rule 15Ba2–6T and Form MA–T are designed to improve the efficiency of the Commission's oversight of municipal advisors, by requiring the registration and identification to the Commission, for the first time, of people engaged in providing municipal advisory services. The temporary registration of municipal advisors will facilitate the Congressional mandate to register municipal advisors and establish an efficient system to provide information to the Commission, the public, and municipal entities.

B. Competition

The Commission also believes that adoption of Rule 15Ba2–6T may promote competition of municipal advisory service providers by allowing municipal advisors to temporarily satisfy the registration requirement that is mandated by October 1, 2010 under the Dodd-Frank Act and thus be permitted to continue to provide advice to, or on behalf of, a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person on October 1, 2010. In addition, it may promote competition by making uniform information, especially disciplinary information, for all municipal advisors available to consumers of the services of municipal advisors on which to base a selection. Furthermore, because all municipal advisors must register, none would be placed at a competitive advantage or disadvantage over others. The Commission believes that Rule 15Ba2–6T will not result in a burden on competition that is not necessary or appropriate in furtherance of the Exchange Act.

C. Capital Formation

The Commission has also considered the effect of Rule 15Ba2–6T on capital formation. Rule 15Ba2–6T allows municipal entities and obligated persons issuing securities to better choose their advisors based on the information required to be disclosed by Rule 15Ba2–6T; however, this benefit would most likely only affect the way in which municipal entities and obligated persons choose municipal advisors, but would likely have no impact on capital formation because it does not affect the borrowing needs of municipal entities or obligated persons. Therefore, the Commission believes that the rule is not likely to have an effect on capital formation.

The Commission requests comment on this analysis of whether the adoption of Rule 15Ba2–6T will promote efficiency, competition, and capital formation or have an impact or burden on competition. The Commission seeks comments on whether Rule 15Ba2–6T would promote capital formation. Specifically, the Commission requests comments on the extent to which the ability of municipal entities and obligated persons to obtain information concerning registered municipal advisors from Form MA–T before hiring a municipal advisor would promote capital formation. In addition, the Commission seeks comments on the manner and extent to which Rule 15Ba2–6T would assist municipal entities and obligated persons to raise additional capital. The Commission requests commenters to provide empirical data and other factual support for their views, if possible.

VII. Final Regulatory Flexibility Analysis

The Commission has prepared this Final Regulatory Flexibility Analysis (FRFA) in accordance with Section 604(a) of the Regulatory Flexibility Act (RFA).[70] This FRFA relates to new Rule 15Ba2–6T under the Exchange Act, which will permit municipal advisors to temporarily satisfy the registration requirement set forth in the Dodd-Frank Act until such time as the Commission promulgates a final permanent regulatory program.[71]

Section 975 of the Dodd-Frank Act generally is intended to strengthen oversight of municipal securities and broaden current municipal securities market protections to cover, among other things, previously unregulated market participants. Rule 15Ba2–6T and Form MA–T are designed to meet this mandate by requiring each municipal advisor to provide basic identifying information about itself, a description of its activities, and facts regarding its disciplinary history, if any, and that of any of its associated persons who are municipal advisor professionals.

A. Need for and Objectives of the Rule and Form MA–T

Sections I–III of this Release describe the reasons for and objectives of interim final temporary Rule 15Ba2–6T and Form MA–T. As discussed above, the Commission is adopting an interim final temporary rule that establishes a means for municipal advisors, as defined in the Dodd-Frank Act, to satisfy temporarily the requirement that they register with the Commission by October 1, 2010. This rule and form are necessary so that municipal advisors can meet this Congressional mandate and continue to function as municipal advisors.

B. Small Entities Subject to the Rule

In developing Rule 15Ba2–6T and Form MA–T, the Commission has considered their potential impact on small entities that will be subject to the rule. All municipal advisors must register with the Commission, including small entities, and will be subject to the rule. Because "municipal advisor" is a new term under the Dodd-Frank Act,

[68] 15 U.S.C. 78c(f).

[69] 15 U.S.C. 78w(a)(2).

[70] *See* 5 U.S.C. 604(a).

[71] Although the requirements of the RFA are not applicable to Rules adopted under the Administrative Procedures Act's "good cause" exception, *see* 5 U.S.C. 601(2) (defining "rule" and notice requirement under the Administrative Procedures Act), the Commission nevertheless prepared this Final Regulatory Flexibility Act Analysis.

the Commission has not promulgated a rule to define which municipal advisors should be identified as a "small business" or "small organization" for purposes of the RFA. However, the Commission has referred to its definitions of small entities in the Exchange Act and Investment Advisers Act to inform this FRFA.

Paragraph (c)(1) of Rule 0–10 under the Exchange Act[72] states that the terms "small business" or "small organization," when referring to a broker-dealer, means a broker or dealer that has total capital (net worth plus subordinated liabilities) of less than $500,000 on the date in the prior fiscal year as of which its audited financial statements were prepared pursuant to Section 240.17a–5(d); and is not affiliated with any person (other than a natural person) that is not a small business or small organization. As discussed above, based on industry sources, the Commission estimates that approximately 1,000 municipal advisors must complete Form MA–T on the Commission's public Web site.[73] Industry sources were unable to provide an estimate, based on the definitions discussed above, of how many of these advisors would be a small business or small organization. However, for the purpose of this FRFA, the Commission believes that the proportion of small municipal advisors subject to the rule to all registered municipal advisors subject to the rule may be similar to the proportion of small registered broker-dealers to all registered broker-dealers. The Commission has previously estimated that approximately 17% of all broker-dealers are "small" for the purposes of the RFA.[74] Therefore, the Commission estimates that 170 municipal advisors will be small entities subject to the rule.[75]

The Commission requests comment on its estimate of how many municipal advisors would be small entities for purposes of the RFA. Specifically, the Commission seeks comment on whether there are alternative ways to estimate the number of municipal advisors that are small entities. Is the proportion of small registered municipal advisors to all registered municipal advisors for purposes of the RFA similar to the proportion of small registered broker-dealers to all registered broker-dealers?

As noted above, the Commission has defined in Rule 0–10 small entity under the Exchange Act for purposes of the RFA. Should the Commission consider including in that rule criteria specifically related to municipal advisors? For example, should it depend on the number of municipalities the municipal advisor advises? On the number of issuances with respect to which the municipal advisor provides advice? On the total amount of issuances outstanding for the municipalities the advisor advises? On other factors or a combination of factors?

C. Projected Reporting, Recordkeeping, and Other Compliance Requirements

Rule 15Ba2–6T and Form MA–T impose certain reporting and compliance requirements on small municipal advisors, requiring them to provide basic identifying information about themselves, a description of their activities, and facts regarding their disciplinary history, if any, and that of any of their associated persons who are municipal advisor professionals.[76] The rule does not impose any recordkeeping requirements.

As discussed above, current municipal advisors are required by statute to register with the Commission by October 1, 2010 by completing Form MA–T. Form MA–T will be accessible through a link located on the Commission's Web site, *http://www.sec.gov,* beginning on or about September 1, 2010, at which time municipal advisors will be able to submit forms for temporary registration and to amend and withdraw such registrations through the Commission's Web site.

As noted above, the Commission estimated that the total initial reporting burden for all municipal advisors to complete Form MA–T would be approximately 2,500 hours and the total associated cost to complete the Form is approximately $735,000.[77] Municipal advisors will also incur costs when they need to amend or withdraw the registration. As noted above, the Commission estimated that the total hourly burden for all municipal advisors to complete an amended Form MA–T would be approximately 500 hours.[78] The Commission estimates that the total annual labor cost for all municipal advisors to complete an amended Form MA–T will be approximately $147,000.[79] In addition to the costs associated with completing and amending Form MA–T, the Commission also believes that some municipal advisors will incur costs associated with hiring outside counsel to determine the need to file and to comply with the requirements of Rule 15Ba2–6T and Form MA–T. As noted above, the Commission estimates that the total costs for all municipal advisors to hire outside counsel to be approximately $400,000.[80]

D. Agency Action To Minimize Effect on Small Entities

As required by the RFA, the Commission has considered alternatives that would accomplish the stated objectives, while minimizing any significant adverse impact on small entities. Rule 15Ba2–6T should not adversely affect small entities because it imposes minimal new reporting requirements to complete Form MA–T and submit it electronically on the Commission's Web site. The Commission does not believe that it is appropriate to develop separate requirements for small entities because all municipal advisors should be subject to the same temporary registration process. In developing Rule 15Ba2–6T and Form MA–T, the Commission considered requiring additional information from municipal advisors and using different electronic delivery mechanisms. After taking into account the short timeframe for municipal advisors to comply with the Congressional mandate to register with the Commission, the Commission determined that the Rule 15Ba2–6T and Form MA–T strikes the appropriate balance of minimizing the burden on small municipal advisors while allowing the Commission to meet its mandate under the Dodd-Frank Act.

Counteracting these relatively minor costs is the benefit that small advisors in particular would obtain under the new regime. The registration of municipal advisors (large or small) would improve the availability of information and thus reduce information research costs of investors and issuers in the municipal bond market. These information research costs are generally higher with respect to smaller entities, about which it is often more difficult to obtain information than for large entities. The increased availability of information about smaller entities may have the result that more investors and issuers will locate those entities and be willing

[72] 17 CFR 240.0–10(c)(1).

[73] *See supra* Section IV.A.

[74] *See* Securities Exchange Act Release No. 34–61908 (April 14, 2010), 75 FR 21456, 21483 (April 23, 2010).

[75] 170 = 1,000 (estimated number of municipal advisors subject to the Rule) × .17 (estimated percentage of municipal advisors that are small entities).

[76] Sections I–III of this Release describe these requirements in more detail.

[77] *See supra* Sections IV.A. and V.C.

[78] *See supra* Section IV.A.

[79] *See supra* Section V.C.

[80] *See supra* Section IV.A.

to engage their services. Thus, smaller advisors are likely to benefit proportionally more from the improved and relatively standardized disclosure than the larger, more established entities, which might already be disclosing information for other purposes (for example, if they are broker-dealers, or underwriters).

E. Duplicative, Overlapping, or Conflicting Federal Rules

The Commission believes that there are no rules that duplicate, overlap, or conflict with Rule 15Ba2–6T.

F. Significant Alternatives

The RFA directs the Commission to consider significant alternatives that would accomplish the stated objective, while minimizing any significant adverse impact on small entities.[81] In connection with the interim final temporary rule, the Commission considered the following alternatives: (1) Establishing different compliance or reporting standards that take into account the resources available to small entities; (2) clarifying, consolidating, or simplifying compliance requirements under the rule; (3) using performance rather than design standards; and (4) exempting small municipal advisers from coverage of all or part of the Rule 15Ba2–6T and Form MA–T.

The Commission believes that the interim final temporary rule strikes the appropriate balance between minimizing the burden on small municipal advisors and allowing the Commission to meet its mandate under the Dodd-Frank Act to provide an appropriate and meaningful process for registering municipal advisors. The Commission does not believe that establishing different compliance or reporting standards is necessary because the information requested in Form MA–T is basic and minimally necessary to meet the statutory goals of the Dodd-Frank Act. Moreover, the Commission believes that completing and submitting Form MA–T on the Commission's Web site should not be unduly burdensome or costly for municipal advisors, including small municipal advisors. In developing Rule 15Ba2–6T and Form MA–T, the Commission considered requiring additional information from municipal advisors and using different electronic delivery mechanisms. In light of the relatively short time frame for compliance and the resources available to small municipal issuers, the Commission decided that the information in the Form MA–T and the electronic submission requirements are simple, straightforward, and take into account the resources available to all municipal advisors, including small municipal advisors. The Commission believes that it is inconsistent with the goals of a uniform registration system to use performance standards rather than design standards. Further, the Commission believes that it would be inconsistent with the purposes of the Dodd-Frank Act to exempt small entities entirely from having to comply with the interim final temporary rule.

G. General Request for Comment

The Commission is soliciting comments regarding the analysis. The Commission requests comment on the number of small entities that will be subjected to the rule and whether the interim final temporary rule will have any effects that have not been discussed. The Commission requests that commenters describe the nature of any effects on small entities subject to the rule and provide empirical data to support the nature and extent of the effect.

VIII. Statutory Authority

Pursuant to the Exchange Act, and particularly Sections 15B (15 U.S.C. 78*o*–4) and 36 (15 U.S.C. 78mm), the Commission is adopting § 240.15Ba2–6T and 249.1300T of Title 17 of the *Code of Federal Regulations* in the manner set forth below.

List of Subjects in 17 CFR Parts 240 and 249

Reporting and recordkeeping requirements, Municipal advisors, temporary registration requirements.

Text of Rule

■ For the reasons set out in the preamble, Title 17, Chapter II, of the Code of Federal Regulations is amended as follows.

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

■ 1. The general authority citation for part 240 is revised to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z–2, 77z–3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78e, 78f, 78g, 78i, 78j, 78j–1, 78k, 78k–1, 78*l,* 78m, 78n, 78*o,* 78*o*–4, 78p, 78q, 78s, 78u–5, 78w, 78x, 78*ll,* 78mm, 80a–20, 80a–23, 80a–29, 80a–37, 80b–3, 80b–4, 80b–11, and 7201 *et seq.;* 18 U.S.C. 1350; and 12 U.S.C. 5221(e)(3), unless otherwise noted.

* * * * *

■ 2. Section 240.15Ba2–6T is added to read as follows.

§ 240.15Ba2–6T Temporary registration as a municipal advisor; required amendments; and withdrawal from temporary registration.

(a) A municipal advisor (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934 (the "Act") (15 U.S.C. 78*o*–4(e)(4)) shall file with the Commission, pursuant to Section 15B(a) (15 U.S.C. 78*o*–4(a)) of the Act, the information set forth on Form MA–T (17 CFR 249.1300T) electronically through the Commission's Internet Web site (*http://www.sec.gov*) to temporarily register or to withdraw from temporary registration.

(b) A temporary registration must promptly be amended:

(1) Whenever any information concerning Items 1 or 3 of Form MA–T (17 CFR 249.1300T) have become inaccurate in any way; and

(2) Whenever a municipal advisor wishes to withdraw from registration.

(c) Every initial registration and each amendment to a registration or withdrawal from registration filed pursuant to this rule shall constitute a "report" within the meaning of Sections 15B(c) (15 U.S.C. 78*o*–4(c)), 17(a) (15 U.S.C. 78q(a)), 18(a) (15 U.S.C. 78r(a)) and 32(a) (15 U.S.C. 78ff(a)) and other applicable provisions of the Act.

(d) Each Form MA–T (17 CFR 249.1300T), including each amendment to a registration or withdrawal from registration, is considered filed with the Commission upon its completion on the Commission web page established for that purpose and the Commission has sent confirmation that the form was filed to the municipal advisor.

(e) All temporary registrations submitted pursuant to this section will expire on the earlier of:

(1) The date that the municipal advisor's registration is approved or disapproved by the Commission pursuant to a final rule adopted by the Commission establishing another manner of registration of municipal advisors and prescribing a form for such purpose;

(2) The date on which the municipal advisor's temporary registration is rescinded by the Commission; or

(3) On December 31, 2011.

(f) This section will expire on December 31, 2011.

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 3. The authority citation for part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201; and 18 U.S.C. 1350 *et seq.* unless otherwise noted.

* * * * *

■ 4. Subpart N, consisting of § 249.1300T, is added to read as follows.

[81] *See* 5 U.S.C. 603(c).

Subpart N—Forms for Registration of Municipal Advisors

§ 249.1300T Form MA–T—For temporary registration as a municipal advisor, and for amendments to, and withdrawals from, temporary registration.

The form shall be used for temporary registration as a municipal advisor, and for amendments to, and withdrawals from, temporary registration pursuant to Section 15B of the Exchange Act, (15 U.S.C. 78*o*).

[**Note:** The text of Form MA–T does not, and the amendments will not, appear in the Code of Federal Regulations.]

BILLING CODE 8010–01–P

OMB APPROVAL
OMB Number: 3235-0659
Expires: March 31, 2011
Estimated average
Burden hours per form: 2.5
Per amendment: 0.5

Note: Form MA-T is an electronic form accessible through a link located on the website of the U.S. Securities and Exchange Commission at www.sec.gov. It may not be filed in paper form.

FORM MA-T

MUNICIPAL ADVISOR TEMPORARY REGISTRATION FORM

ITEM 1 - IDENTIFYING INFORMATION

A. This is:
- ☐ An initial temporary registration as a municipal advisor
- ☐ An amendment of temporary registration as a municipal advisor
  Municipal Advisor Registration Number: _ _ _ -_ _ _ _ _ _ _
- ☐ A withdrawal of temporary registration as a municipal advisor
  Municipal Advisor Registration Number: _ _ _ -_ _ _ _ _ _ _

B. Full Legal Name of municipal advisor:
_____
(firm name or name of sole proprietor)

C. Name under which the municipal advisor conducts business, if different:
_____

D. IRS Employer Identification Number of the municipal advisor: _____
(Note: If you are a sole proprietor, leave this space blank. Do NOT fill in your social security number.)

E. If the municipal advisor is also registered with the SEC as an investment adviser, its SEC file number: 801-_____

F. If the municipal advisor is also registered with the SEC as a broker, dealer, or municipal securities dealer, its SEC file number: _____

G. If the municipal advisor has a number ("CRD Number") assigned by the FINRA's CRD system or by the IARD system, its CRD number (*Do not provide the CRD number of the municipal advisor's officers, employees, or affiliates)*: _____

H. Municipal advisor's principal office and place of business:

(1) Address *(do not use a P.O. Box)*:

_____
(number and street)

_____
(city) (state/country) (zip+4/postal code)

(2) Telephone number at this location: _____
(area code) (telephone number)

(3) Facsimile number at this location, if any:

_____
(area code) (telephone number)

(4) General e-mail address for the municipal advisor, if any:
_____@_____

(5) Web site, if any, of the municipal advisor

www._____ . _____

I. Mailing address, if different from the municipal advisor's principal office and place of business address:

_____
(number and street)

_____
(city) (state/country) (zip+4/postal code)

J. Contact person: *[The contact person should be a person whom the municipal advisor has authorized to receive information and respond to questions about this registration.]*

_____
(name)

_____
(title)

_____ _____
(telephone number, including area code) (facsimile number, if any, including area code)

_____
(number and street)

_____
(city) (state/country) (zip+4/postal code)

_____@_____
(e-mail address, if any, of contact person)

ITEM 2 - MUNICIPAL ADVISORY ACTIVITIES

What type(s) of municipal advisory services does the municipal advisor provide? *Check all that apply.*

- ☐ (1) Advice concerning the issuance of municipal securities
- ☐ (2) Advice concerning the investment of the proceeds of municipal securities
- ☐ (3) Advice concerning guaranteed investment contracts
- ☐ (4) Recommendation and/or brokerage of municipal escrow investments
- ☐ (5) Advice concerning the use of municipal derivatives (e.g., swaps)
- ☐ (6) Solicitation of business from a municipal entity or obligated person for an unaffiliated person or firm (e.g., third party marketers, placement agents, solicitors and finders)
- ☐ (7) Preparation of feasibility studies, tax or revenue projections, or similar products in connection with offerings or potential offerings of municipal securities
- ☐ (8) Other (specify):_____

ITEM 3 - DISCIPLINARY INFORMATION

In this Item, we ask for information about the municipal advisor's disciplinary history and the disciplinary history of all associated municipal advisor professionals (as defined in the Glossary accompanying this form). For any question to which you answer "yes," a drop-down box will appear for you to supply relevant information. *Note: If you have submitted a Criminal Disclosure Report Page or Pages, a Regulatory Action Disclosure Page or Pages, or a Civil Judicial Action Disclosure Reporting Page or Pages to FINRA or the SEC in connection with other filings, you may provide such information by referencing the public disclosure system (BrokerCheck or Investment Adviser Public Disclosure) that currently contains the disclosure, the CRD number of the entity under which the disclosure is listed, and whether the entity under which the disclosure is listed is a firm or individual. (Example: Please reference BrokerCheck, CRD 123456, for the individual Mr. X for reportable disclosures; Example: Please reference IAPD, CRD 987654, for the firm X's reportable disclosures.)*

One event may result in "yes" answers to more than one of the questions below.

A. In the past ten years, has the municipal advisor or any associated municipal advisor professional:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any felony? YES/NO

(2) been charged with any felony? YES/NO
You may limit your response to Item 3.A(2) to charges that are currently pending.

B. In the past ten years, has the municipal advisor or any associated municipal advisor professional:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a misdemeanor involving: investments or an investment-related business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? YES/NO

(2) been charged with a misdemeanor listed in Item 3.B(1)? YES/NO
You may limit your response to Item 3.B(2) to charges that are currently pending.

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever:

(1) found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission? YES/NO

(2) found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its regulations or statutes? YES/NO

(3) found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO

(4) entered an order against the municipal advisor or any associated municipal advisor professional in connection with investment-related activity? YES/NO

(5) imposed a civil money penalty on the municipal advisor or any associated municipal advisor professional, or ordered the municipal advisor or any associated municipal advisor professional to cease and desist from any activity? YES/NO

D. Has any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority:

(1) ever found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission, or been dishonest, unfair, or unethical? YES/NO

(2) ever found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of investment-related regulations or statutes? YES/NO

(3) ever found the municipal advisor or any associated municipal advisor professional to have been a cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO

(4) in the past ten years, entered an order against the municipal advisor or any associated municipal advisor professional in connection with an investment-related activity? YES/NO

(5) ever denied, suspended, or revoked the municipal advisor's or any associated municipal advisor professional's registration or license, or otherwise prevented the municipal advisor or any associated municipal advisor professional, by order, from associating with an investment-related business or restricted the municipal advisor's or any associated municipal advisor professional's activity? YES/NO

E. Has any self-regulatory organization or commodities exchange:

(1) ever found the municipal advisor or any associated municipal advisor professional to have made a false statement or omission? YES/NO

(2) ever found the municipal advisor or any associated municipal advisor professional to have been involved in a violation of its rules (other than a violation designated as a "minor rule violation" under a plan approved by the SEC)? YES/NO

(3) ever found the municipal advisor or any associated municipal advisor professional to have been the cause of an investment-related business having its authorization to do business denied, suspended, revoked, or restricted? YES/NO

(4) ever disciplined the municipal advisor or any associated municipal advisor professional by expelling or suspending it from membership, barring or suspending its association with other members, or otherwise restricting its activities? YES/NO

F. Has the municipal advisor's or any associated municipal advisor professional's authorization to act as an attorney, accountant, or federal contractor ever been revoked or suspended? YES/NO

G. Is the municipal advisor or any associated municipal advisor professional the subject of any regulatory proceeding that could result in a "yes" answer to any part of Item 3.C., 3.D., or 3.E.? YES/NO

H. (1) Has any domestic or foreign court:

(a) in the past ten years, enjoined the municipal advisor or any associated municipal advisor professional in connection with any investment-related activity? YES/NO

(b) ever found that the municipal advisor or any associated municipal advisor professional was involved in a violation of investment-related statutes or regulations? YES/NO

(c) ever dismissed, pursuant to a settlement agreement, an investment-related civil action brought against the municipal advisor or any associated municipal advisor professional by a state or foreign financial regulatory authority? YES/NO

(2) Is the municipal advisor or any associated municipal advisor professional now the subject of any civil proceeding that could result in a "yes" answer to any part of Item 3.H(1)? YES/NO

ITEM 4 – EXECUTION

The municipal advisor consents that service of any civil action brought by or notice of any proceeding before the Securities and Exchange Commission or any self-regulatory organization in connection with the municipal advisor's municipal advisory activities may be given by registered or certified mail or confirmed telegram to the municipal advisor's contact person at the main address, or mailing address, if different, given in Items 1.H, 1.I., and 1.J.

The undersigned deposes and says that he/she has executed this form on behalf of, and with the authority of, the municipal advisor. The undersigned and the municipal advisor represent that the information and statements contained herein and other information filed herewith, all of which are made a part hereof, are current, true and complete. The undersigned and the municipal advisor further represent that, if this is an amendment, to the extent that any information previously submitted is not amended such information is currently accurate and complete.

Date: _____

Full Legal Name of Municipal Advisor: _____

By. _____
(signature)

Title: _____

Warning: Intentional misstatements or omissions of fact constitute Federal criminal violations. See, 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

FORM MA-T
MUNICIPAL ADVISOR TEMPORARY REGISTRATION FORM

General Instructions

Note: Beginning on October 1, 2010, Section 15B(a)(1)(B) of the Securities Exchange Act of 1934 makes it unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake a solicitation of a municipal entity or obligated person, unless the municipal advisor is registered with the Securities and Exchange Commission. *See Glossary for definitions of terms used in Form MA-T and in these instructions.*

Read these instructions carefully before filing Form MA-T. Failure to follow these instructions or properly complete the form may result in temporary registration as a municipal advisor being delayed or rejected.

1. What is From MA-T?

Form MA-T provides for temporary registration by municipal advisors.

2. Where can I get Form MA-T?

Form MA-T is available on the SEC's website: www.sec.gov/info/municipal/form_MA-T.htm.

3. When must Form MA-T be used?

Municipal advisors use Form MA-T to:

- File initial temporary registration as a municipal advisor with the Securities and Exchange Commission
- Amend those temporary registrations
- Withdraw from temporary registration

4. What is the deadline for filing Form MA-T for temporary registration?

Current municipal advisors must file Form MA-T by October 1, 2010. These municipal advisors should allow enough time to establish an account and obtain access credentials (username and password) and complete the on-line version of the Form by that date. Any person who desires to become a municipal advisor after October 1, 2010 should file Form MA-T before providing advice to a municipal entity or obligated person.

5. When is a municipal advisor required to update its Form MA-T?

A municipal advisor must amend the Form MA-T promptly if information provided in response to Items 1 or 3 becomes inaccurate in any way. Failure to update Form MA-T, as required by

this instruction, is a violation of SEC rule 15Ba2-6T and could lead to revocation of a municipal advisor's temporary registration.

6. Where and how do I sign Form MA-T?

Form MA-T must be signed with the typed name of the municipal advisor and of the name and title of the signer on the appropriate lines in Item 4.

7. Who must sign Form MA-T?

The individual who signs the form depends upon the form of organization of the municipal advisor:

- For a sole proprietorship, the sole proprietor should sign.
- For a partnership, a general partner should sign.
- For a corporation, an authorized principal officer should sign.
- For all others, an authorized individual who participates in managing or directing the municipal advisor's affairs should sign.

8. How do I file Form MA-T?

Complete Form MA-T using the Commission's public website (<www.sec.gov/info/municipal/form_MA-T.htm>). Follow the detailed instructions available on the website.

In order to begin filling out Form MA-T, it will be necessary to establish an account and obtain access credentials (username and password) with the SEC's temporary registration system. A submitter will need to fill out general user information fields such as name, address, phone number, e-mail address, organization name and employer identification number, and user account information (i.e., select a username and password), and to select and answer a security question. Once accepted by the temporary registration system, the submitter will receive an e-mail notification that the account has been established and the submitter will be able to access and complete Form MA-T. The Commission anticipates that submitters will ordinarily obtain access credentials the same day that they are requested. *However, to avoid the possibility of delay, the Commission encourages submitters to file Form MA-T prior to the initial October 1, 2010 submission deadline.*

9. Are there filing fees?

No.

10. Whom may I contact with questions about filing Form MA-T?

You may call the SEC Division of Trading and Markets' Office of Interpretation and Guidance at (202) 551-5777 or e-mail tradingandmarkets@sec.gov.

Federal Information Law and Requirements

Section 15B(a) the Securities Exchange Act [15 U.S.C. § 78o-4(a)] authorizes the SEC to collect the information required by Form MA-T. The SEC collects the information for regulatory purposes. Filing Form MA-T is mandatory for municipal advisors who are required to register with the SEC. The SEC maintains the information submitted on this form and makes it publicly available. The SEC will not accept forms that do not include required information.

SEC's Collection of Information

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. The Securities Exchange Act authorizes the SEC to collect the information on Form MA-T from applicants. See 15 U.S.C. § 78o-4. Filing the form is mandatory.

The main purpose of this form is to enable the SEC to provide for the temporary registration of municipal advisors. Every applicant for temporary registration with the SEC as a municipal advisor must file the form. See 17 C.F.R. § 240.15Ba2-6T. By accepting Form MA-T, however, the SEC does not make a finding that it has been completed or submitted correctly. The form is filed initially by every municipal advisor, no later than October 1, 2010. It is also filed promptly during the year to reflect changes to the information in Items 1 or 3 and when a municipal advisor wishes to withdraw from temporary registration. See 17 C.F.R. § 240.15Ba2-6T. The SEC maintains the information on the form and makes it publicly available through the SEC's public website.

Anyone may send the SEC comments on the accuracy of the burden estimate on page 1 of the form, as well as suggestions for reducing the burden. The Office of Management and Budget has reviewed this collection of information under 44 U.S.C. § 3507.

The information contained in the form is part of a system of records subject to the Privacy Act of 1974, as amended. The SEC has published in the Federal Register the Privacy Act System of Records Notice for these records.

Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

GLOSSARY OF TERMS

1. **Affiliate**: (1) all officers, partners, or directors (or any person performing similar functions) of a municipal advisor; (2) all persons directly or indirectly controlling or controlled by a municipal advisor; and (3) all of a municipal advisor's current employees (other than employees performing only clerical, administrative, support or similar functions).

2. **Associated municipal advisor professional** includes: (1) any associated person of a municipal advisor primarily engaged in municipal advisory activities; (2) any associated person of a municipal advisor who is engaged in the solicitation of municipal entities or obligated persons (as defined in this Glossary); (3) any associated person of a municipal advisor who is a supervisor of any person described in (1) or (2) above; (4) any associated person of a municipal advisor who is a supervisor of any person described in (3) above up through and including, the Chief Executive Officer or similarly situated official designated as responsible for the day-to-day conduct of the municipal advisor's municipal advisory activities; and (5) any associated person of a municipal advisor who is a member of the executive or management committee of the municipal advisor or a similarly situated official, if any; and excludes any associated person of a municipal advisor whose functions are solely clerical or ministerial.

3. **Associated person of a municipal advisor**: any partner, officer, director, or branch manager of a municipal advisor (or any person occupying a similar status or performing similar functions); any other employee of a municipal advisor who is engaged in the management, direction, supervision, or performance of any activities relating to the provision of advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities; and any person directly or indirectly controlling, controlled by, or under common control with such municipal advisor, or any employee of such municipal advisor.

4. **Charged**: Being accused of a crime in a formal complaint, information, or indictment (or equivalent formal charge).

5. **Control**: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise.
   - Each of a municipal advisor's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control the municipal advisor.
   - A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities.
   - A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership.
   - A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of

the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC.

- A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

6. **Employee**: This term includes an independent contractor who performs advisory functions on behalf of a municipal advisor.

7. **Enjoined**: This term includes being subject to a mandatory injunction, prohibitory injunction, preliminary injunction, or a temporary restraining order.

8. **Felony**: For jurisdictions that do not differentiate between a felony and a misdemeanor, a felony is an offense punishable by a sentence of at least one year imprisonment and/or a fine of at least $1,000. The term also includes a general court martial.

9. **FINRA CRD or CRD**: The Web Central Registration Depository ("CRD") system operated by FINRA for the registration of broker-dealers and broker-dealer representatives.

10. **Foreign Financial Regulatory Authority**: This term includes (1) a foreign securities authority; (2) another governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of investment-related activities; and (3) a foreign membership organization, a function of which is to regulate the participation of its members in the activities listed above.

11. **Found**: This term includes adverse final actions, including consent decrees in which the respondent has neither admitted nor denied the findings, but does not include agreements, deficiency letters, examination reports, memoranda of understanding, letters of caution, admonishments, and similar informal resolutions of matters.

12. **Guaranteed Investment Contract:** any investment that has specified withdrawal or reinvestment provisions and a specifically negotiated or bid interest rate, and also includes any agreement to supply investments on 2 or more future dates, such as a forward supply contract.

13. **IARD**: the Investment Adviser Registration Depository operated by FINRA.

14. **Investment-Related**: Activities that pertain to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with an investment adviser, broker-dealer, municipal securities dealer, government securities broker or dealer, issuer, investment company, futures sponsor, bank, or savings association).

15. **Investment Strategies**: plans or programs for the investment of the proceeds of municipal securities that are not municipal derivatives, guaranteed investment contracts, and the recommendation of and brokerage of municipal escrow investments.

16. **Involved**: Engaging in any act or omission, aiding, abetting, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act.

17. **Minor Rule Violation**: A violation of a self-regulatory organization rule that has been designated as "minor" pursuant to a plan approved by the SEC. A rule violation may be designated as "minor" under a plan if the sanction imposed consists of a fine of $2,500 or less, and if the sanctioned person does not contest the fine. (Check with the appropriate self-regulatory organization to determine if a particular rule violation has been designated as "minor" for these purposes.)

18. **Misdemeanor**: For jurisdictions that do not differentiate between a felony and a misdemeanor, a misdemeanor is an offense punishable by a sentence of less than one year imprisonment and/or a fine of less than $1,000. The term also includes a special court martial.

19. **Municipal Advisor:**
    - a person (who is not a municipal entity or an employee of a municipal entity) that (i) 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, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or (ii) undertakes a solicitation of a municipal entity;
    - includes financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents, solicitors, finders, and swap advisors, if such persons are described in any of clauses (i) through (ii) above; and
    - does *not* include a broker, dealer, or municipal securities dealer serving as an underwriter (as defined in section 2(a)(11) of the Securities Act of 1933) (15 U.S.C. 77b(a)(11)), any investment adviser registered under the Investment Advisers Act of 1940, or persons associated with such investment advisers who are providing investment advice, any commodity trading advisor registered under the Commodity Exchange Act or persons associated with a commodity trading advisor who are providing advice related to swaps, attorneys offering legal advice or providing services that are of a traditional legal nature, or engineers providing engineering advice.

20. **Municipal Entity:** any State, political subdivision of a State, or municipal corporate instrumentality of a State, including—
    - any agency, authority, or instrumentality of the State, political subdivision, or municipal corporate instrumentality;
    - any plan, program, or pool of assets sponsored or established by the State, political subdivision, or municipal corporate instrumentality or any agency, authority, or instrumentality thereof; and
    - any other issuer of municipal securities;

21. **Municipal Financial Product**: municipal derivatives, guaranteed investment contracts, and investment strategies.

22. **Obligated person:** any person, including an issuer of municipal securities, who is either generally or through an enterprise, fund, or account of such person, committed by contract or

other arrangement to support the payment of all or part of the obligations on the municipal securities to be sold in an offering of municipal securities."

23. **Order**: A written directive issued pursuant to statutory authority and procedures, including an order of denial, exemption, suspension, or revocation. Unless included in an order, this term does not include special stipulations, undertakings, or agreements relating to payments, limitations on activity or other restrictions.

24. **Person**: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

25. **Principal Place of Business or Principal Office and Place of Business**: A municipal advisor's executive office from which its officers, partners, or managers direct, control, and coordinate the activities of the municipal advisor.

26. **Proceeding**: This term includes a formal administrative or civil action initiated by a governmental agency, self-regulatory organization or foreign financial regulatory authority; a felony criminal indictment or information (or equivalent formal charge); or a misdemeanor criminal information (or equivalent formal charge). This term does not include other civil litigation, investigations, or arrests or similar charges effected in the absence of a formal criminal indictment or information (or equivalent formal charge).

27. **Related Person**: Any affiliate and any person that is under common control with the municipal advisor.

28. **Self-Regulatory Organization or SRO**: Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA, New York Stock Exchange ("NYSE") and Municipal Securities Rulemaking Board ("MSRB") are self-regulatory organizations.

29. **Solicitation of a Municipal Entity or Obligated Person**: means a direct or indirect communication with a municipal entity or obligated person made by a person, for direct or indirect compensation, on behalf of a broker, dealer, municipal securities dealer, municipal advisor, or investment adviser (as defined in section 202 of the Investment Advisers Act of 1940) that does not control, is not controlled by, or is not under common control with the person undertaking such solicitation for the purpose of obtaining or retaining an engagement by a municipal entity or obligated person of a broker, dealer, municipal securities dealer, or municipal advisor for or in connection with municipal financial products, the issuance of municipal securities, or of an investment adviser to provide investment advisory services to or on behalf of a municipal entity.

By the Commission.

Dated: September 1, 2010.

Elizabeth M. Murphy,

Secretary.

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