

February 20, 2024

Mr. Ronald W. Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street NW, Suite 1000
Washington, DC 2005

Dear Mr. Smith:

This letter is Speer Financial, Inc.'s ("Speer") response to the Municipal Rule Making Board's ("MSRB") Request for Information on Impacts of MSRB Rules on Small Firms (2023-11) (the "RFI"). Speer is a municipal advisory firm which advises municipal clients in Iowa and Illinois.

Speer was a founding member of the National Association of Municipal Advisors ("NAMA") (previously known as the National Association of Independent Public Financial Advisors). We supported the initial regulation of municipal advisors and continue to support municipal advisor regulation. As a smaller municipal advisory firm, we would like to express our thoughts on the extent to which the MSRB's rules (the "Rules") have had a more negative impact on our firm and our municipal clients than initially anticipated by the SEC/MSRB.

Speer has experienced significantly greater time burdens as a result of regulation. Speer does not contract-out its compliance obligations to third party providers, except that we employ a compliance attorney as needed. We have three officers of Speer that are certified municipal advisor principals. As opposed to an outside compliance firm, we believe the officers of Speer know how the firm's municipal advisors can best serve our clients, based on the types of municipal advising provided by our firm. Though we emphasize training and ongoing education of our municipal advisor employees, the Rules require the Speer officers (particularly the Speer municipal advisory principals) to continually monitor the Speer municipal advisors. In addition, these principals are responsible for the information retention files and compliance-required systems. Contracting-out such services would be prohibitively expensive to the firm and would not best address municipal advising compliance issues as they arise for the firm's particular clients.

There is also an over-documentation time burden on the officers of the firm. The Rules include a presumption that unless a municipal advisor firm can prove through documentation that an action was taken, that action is assumed to have not been taken. Clearly, documentation is appropriately a part of compliance in many instances, such as providing clients with engagement and suitability letters. However, such matters as an internal discussion of client credit matters, direction from a principal to a firm's municipal advisor as to how best comply with a Rule, and other communications to better comply with the intent of the Rules should not be assumed to have not occurred simply because an internal email was not sent and saved in a compliance file.

In addition to the time burden, the IT system costs (e.g. email archiving) and information retention costs of regulation are more of a financial burden to Speer than the SEC/MSRB initially anticipated. Ancillary costs, such as for cybersecurity for such systems and files, adds to this cost.

While we understand that the MSRB cannot control the costs of third party service providers, the MSRB should know that these regulation costs, in both time and money, are a particular burden to small municipal advisory firms such as Speer. The MSRB is charged, in part, with providing protection to municipal entities and the public interest. Municipal clients are not best protected when time is taken away from their municipal advisors, which could be otherwise used to serve them, in order to comply with certain unnecessary and fixable regulatory provisions of the Rules. Nor are such municipal clients served by firms such as Speer passing along the firm's increasing regulation costs to them, if possible.

Because of the competitive nature of the municipal advisory market in Speer's service area, Speer has not been able to pass along any significant amount of our additional regulation costs to our clients. Many of our competitor municipal advisory firms have not been able to do so either. The result has been the merging of municipal advisory firms or the exiting of such firms from the industry. This has been especially true for smaller municipal advisory firms. Because of the high cost of regulation and other barriers of entry into the municipal advisory business, the MSRB may be creating circumstances and effects that are contrary to its mission to serve the municipal market and the public interest.

We understand that the RFI asks for responders to provide specific solutions to the concerns discussed above. We believe that the information the MSRB already has, including the information gathered by the SEC from examinations of municipal advisory firms, can provide the best indication of what municipal advisory firms are doing well and not doing well. Speer has been through two SEC examinations. As a result of these examinations, we believe that we have a good idea as to what we do well and what we need to continue to improve upon in our compliance with the Rules. One suggestion we can offer, is that any revisions to MSRB rules for municipal advisors (and scope and frequency of SEC examinations) should focus on areas of material harm to municipal clients and the industry rather than providing overly detailed requirements that are not absolutely necessary to serve that end. Again, we trust that the MSRB has more industry-wide information in this regard.

Thank you for this opportunity to provide our thoughts on how the MSRB's regulation of small firms such as Speer may be improved.

SPEER FINANCIAL, INC.

A handwritten signature in blue ink that reads "Daniel Forbes". The signature is written in a cursive style with a prominent flourish at the end of the name.

Daniel Forbes
President