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**VIA ELECTRONIC MAIL**

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**Leslie Carey, Esq.**

*Associate General Counsel*

*Municipal Securities Rulemaking Board*

1900 Duke Street Suite 600

Alexandria, VA 22314

**Re: MSRB NOTICE 2010-30 (AUGUST 25, 2010) – Request for Comment Regarding the Imposition of Disclosure Requirements upon Dealer-Affiliated Political Action Committees**

Dear Ms. Carey:

BOK Financial Corporation (BOKF<sup>1</sup>) appreciates the opportunity to comment on the proposed requirement of dealer-affiliated political action committees (“Affiliated PACs”) to be disclosed to the Municipal Securities Rulemaking Board (“MSRB”). While a formal rule has not yet been proposed, because of our concerns regarding a) a potential confusion of investors and b) the significant expansion of the MSRB’s authority which would result from such a disclosure requirement we are presenting those concerns in advance of any such formal proposal.

***Background***

In *MSRB Notice 2010-30 (August 25, 2010)* (the “Notice”), the MSRB announced two separate proposals designed to further the investor protections implemented via restrictions on political contributions imposed by MSRB Rule G-37. The first proposal, formally filed with the Securities and Exchange Commission, highlighted the various ways by which an Affiliated PAC could in fact be a dealer-**controlled** political action committee (“Dealer PAC”) and included detailed interpretive guidance as to when that determination would be made (the “Control Guidance”). The second, a request for comment (the “Disclosure Request”), suggested that the MSRB require disclosure of Affiliated PACs to similarly further those investor protections, in that such disclosure

...would allow public scrutiny of the relationships between dealers and their affiliated PACs while recognizing that in many cases dealers may not control the activities of such affiliated PACs. Instead, market participants and the general public would be provided with basic information regarding such relationships that they may use, as appropriate, to make further

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<sup>1</sup> BOKF is a \$24 billion regional financial services company based in Tulsa, Oklahoma. The company's stock is publicly traded on NASDAQ under the symbol: BOKF. Our assets are centered in seven full-service banks - Bank of Oklahoma, Bank of Texas, Bank of Albuquerque, Bank of Arkansas, Bank of Arizona, Colorado State Bank and Trust and Bank of Kansas City – with additional assets within a subsidiary broker-dealer, BOSC, Inc. (“BOSC”). BOSC is a registered broker/dealer, registered investment adviser, member FINRA/SIPC, and among other business activities serves as underwriter to various municipal securities issues.

inquiries regarding their practices in light of the specific factual and legal circumstances that may be relevant with respect to a particular dealer, its affiliates, and its municipal securities business<sup>2</sup>.

While the Control Guidance would appear to further the aims of Rule G-37, the Disclosure Request would by contrast generate disclosures that will almost certainly be confusing, unnecessary, as well as (as indicated above) beyond the previously-recognized scope of the MSRB's authority.

### ***Confusion Resulting From Disclosure***

Requiring a dealer to disclose information regarding an Affiliated PAC, which (as the MSRB indicates) may not be subject to any indicia of (let alone actual) control by the dealer, would strongly imply to recipients of the disclosure that such a dealer does in fact have some control over that Affiliated PAC. The Disclosure Request suggests that somehow disclosing the existence of Affiliated PACs "would...[recognize] that in many cases dealers may not control the activities of such affiliated PACs," but does not suggest how such a determination may be made by those individuals presumptively helped by the receipt of such information. In our view requiring disclosure of information that has a high probability of being misunderstood, misinterpreted or both, is not beneficial to market participants, the general public or to dealers, but is rather injurious to the legitimate concerns of all of these parties.

The requested disclosure also appears to be contrary to the MSRB's prior guidance regarding disclosures in this area. In Question III.7. of "Questions and Answers Concerning Political Contributions and Prohibitions on Municipal Securities Business: Rule G-37," the MSRB speaks specifically to a necessary **lack** of information regarding Affiliated PACs on the part of dealers, going so far as to recommend the imposition of "information barriers" between such PACs and the dealers affiliated with them (September 22, 2005). The ongoing disclosure requirements suggested in the Disclosure Request (quarterly or annual frequencies are suggested) would create a duty to be **informed** as to certain aspects of the Affiliated PACs, when dealers have worked to distance themselves from such information.

### ***Expansion of the MSRB's Authority***

Beyond the confusion that may result from the disclosure of Affiliated PAC information that has no impact on the activities of those dealers currently subject to the MSRB, the Disclosure Request also serves to expand the MSRB's authority into entities which are currently not subject to its oversight. As indicated by the Control Guidance, as well as previous MSRB interpretations and issuances<sup>3</sup>, provided the activities of Affiliated PACs are sufficiently separate from and not subject to the control or influence of dealers, then they are not subject to the restrictions of Rule G-37. The Disclosure Request, if ultimately resulting in an affirmative disclosure requirement for Affiliated PACs, would **in opposition to the express opinion of the MSRB** cause such Affiliated PACs to be subject to the MSRB's jurisdiction even when (as indicated in the Disclosure Request) "dealers may not control the activities of such affiliated PACs."

### ***Other Pertinent Information***

The MSRB also requested comment on "whether there is other pertinent information regarding affiliated PACs and their contributions that would prove beneficial to the marketplace." Currently, all PAC contributions are

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<sup>2</sup> MSRB Notice 2010-30 (August 25, 2010)

<sup>3</sup> See e.g. "QUESTIONS AND ANSWERS CONCERNING POLITICAL CONTRIBUTIONS AND PROHIBITIONS ON MUNICIPAL SECURITIES BUSINESS: RULE G-37, III. INDIRECT CONTRIBUTIONS," questions and answers III.4, III.7; "NOTICE CONCERNING INDIRECT RULE VIOLATIONS: RULES G-37 AND G-38 - August 6, 2003."

subject to various state and federal disclosure requirements, and are publicly available on state and federal websites for public viewing. If the MSRB wishes to increase public awareness of PAC activity, providing links or similar information regarding publicly available PAC activity on its website would appear to be a useful course of action. In addition, should the affiliation of a PAC with a particular parent company not be apparent from the PAC filings, some change as to current PAC disclosure requirements imposed by the Federal Election Commission may be requested by the MSRB as appropriate. We believe these actions would be sufficient to achieve the MSRB's stated purpose for rulemaking in this area.

Again, BOKF appreciates the opportunity to comment on this issue. Thank you for your time and attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Vincent', with a stylized flourish at the end.

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