



1021 Main Street  
Suite 2200  
Houston, Texas 77002

713.654.8638 Direct  
800.922.9850 Toll Free  
713.654.8658 Fax

September 27, 2010

**Julie Peak**  
Managing Director

julie.peak@firstsw.com

**Municipal Securities Rulemaking Board**  
**Attention: Leslie Carey, Associate General Counsel**  
**1900 Duke Street, Suite 600**  
**Alexandria, Virginia 22314**

Re: Municipal Securities Rulemaking Board Rule G-23 (“G-23”)

Dear Ms. Carey:

This letter is written in connection with and in opposition to certain proposed changes to Rule G-23. I have been a Financial Advisor to special districts in the State of Texas since 1983; I have never represented any other type of issuer. The issuers I represent are considered small issuers, in which the average total issuance in any given year and in many instances over several years does not exceed \$10 million. These issuers are also one of the most significant economic tools in the State of Texas. These issuers are the **small business in the municipal** finance world and are required by Texas Statute to competitively bid their bonds. Because of the size of the issuer and the size of the issues they do not hit the radar screen of most of the underwriters in the United States despite considerable mailing lists and efforts throughout my whole career to interest brokerage firms in our small issuers. Our special districts in Texas have come to rely upon the strong competitive bidding of a very few brokerage/financial advisory firms that have significant knowledge and expertise of special district bonds in Texas. For at least a decade, a new non-rated/non-insured issue by a special district in Texas has been hopeful for two bids on its competitive offerings and one of those issuers has typically always been the issuers’ Financial Advisor. Even special districts with ratings and insurance may receive only two or three bids and one of those from the Financial Advisor. By prohibiting the Financial Advisor from bidding on these small issues **you are eliminating all** the competition in many situations and one-fourth to one-third in the majority of situations. **This type of action will only increase the borrowing cost to the special districts and the ultimate taxpayers, which in Texas special Districts is homeowners and small businesses.**

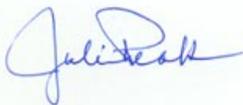
Our small issuers (special districts) in Texas are the most highly regulated special districts in the United States. I cannot speak for activities throughout the United States that may have precipitated the action being considered by the MSRB; however, we take great pride in the way we do our financings for these special districts: with integrity and with the best interest of the taxpayers, bondholder and issuers at the forefront of what we do. By adopting the revisions to Rule G-23 as proposed, without any consideration and exemption of small issuers, you will be penalizing many many small issuers, their taxpayers and the economic development they provide. **These actions will in no way benefit or protect our special districts.**

Municipal Securities Rulemaking Board  
Attention: Leslie Carey, Associate General Counsel  
September 30, 2010  
Page 2

I respectfully request that you consider the **negative ramifications** that the proposed Rule G-23 will have on the small issuers ability to access the credit markets at a fair price consistent with large issuers. If restrictions on competitively bidding must be incorporated into Rule G-23, then a \$10 million small issuer exemption should be a part of the rule change. Small issuers of \$10 million or less already receive exemptions for continuing disclosure purposes and under the Federal tax laws related to bank-qualified obligations. A \$10 million small issuer exemption is already a standard in the securities business.

I am happy to provide any supporting data that you may need as it relates to the information presented above.

Sincerely,

A handwritten signature in blue ink that reads "Julie Peak". The signature is written in a cursive style with a large initial "J" and "P".

Julie Peak  
Managing Director

cc: Mary L. Schapiro, Chairman  
U.S. Securities & Exchange Commission

Mr. Hill Feinberg, Firm  
Mr. Jack Addams, Firm