

# Comment on Notice 2023-11

From: Lowell Clary, Clary Consulting Company

On: February 16, 2024

Comment:

We understand the need for rules and regulations for municipal advisors. However, we believe the process has gone overboard on the rules and regulations to the extent it is forcing small businesses out of business. We are a firm of two municipal advisor principals (had three, but one partner recently passed away). The time for the annual and periodic reporting, constant updates requiring nonstop reading, and periodic audits (every three years so far - taking 200+ staff hours per audit) are pushing us to consider changing our focus away from municipal advisory and deregistering. We do a lot of non-MA work and when we get audited they feel compelled to review all of this as well as any MA work. However, we know of firms doing very similar work to our firm that never registered and they seem to be rolling right along without all the extra overhead. It seems the focus is more on registered companies trying to do the right thing instead of finding those not registered that are not following the regulations. Something has to give for small firms on the overload of rules and regulations, routine audits and the growing annual fees or the small firms will no longer be in the MA business. This would be a travesty as many very good senior principal MAs prefer a smaller firm where they can focus on select clients to be experts on these clients. We know this is not an easy issue and the little firms simply don't have the clout to push the needle for major change. Thank you for listening and best wishes on your efforts to assist small businesses.