



J. BEN WATKINS III  
DIRECTOR

STATE OF FLORIDA  
DIVISION OF BOND FINANCE

1801 HERMITAGE BOULEVARD, SUITE 200  
TALLAHASSEE, FLORIDA 32308

TELEPHONE: (850) 488-4782  
FACSIMILE: (850) 413-1315

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RICK SCOTT  
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AS CHAIRMAN

PAM BONDI  
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Mr. Ronald W. Smith  
Corporate Secretary  
Municipal Securities Rulemaking Board  
1900 Duke Street, Suite 600  
Alexandria, Virginia 22314

Re: Revised Draft MSRB Rule G-42

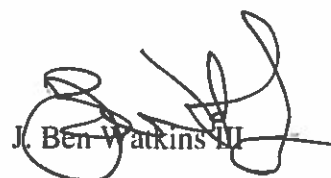
Dear Mr. Smith:

This letter is in response to the request for comments on Revised Draft MSRB Rule G-42. Section (c) of the draft rule requires documentation of the municipal advisory relationship and sets forth specific information that must be included in the writing. However, the draft rule lacks any requirement that the writing be a contract or that the municipal advisor obtain an acknowledgment from the government entity/issuer that it is aware of and in agreement with the terms governing the municipal advisory relationship.

The GFOA "Best Practice" for selecting and managing a municipal advisor calls for issuers to enter into a written contract with municipal advisors to define the scope of services and the method of compensation. *To ensure that issuers are aware of and agree to the scope of services and method of compensation, the draft rule should require municipal advisors to enter into a written contract with the issuer that contains the required terms.* Alternatively, the rule should, at a minimum, require the municipal advisor to obtain an acknowledgment from the issuer that it agrees with the terms of the engagement and method of compensation. Such a requirement would be consistent with best practices and encourage a dialogue between the municipal advisor and issuer about the terms of the relationship rather than an obligation for the municipal advisor to "paper the file".

Thank you for your consideration.

Very truly yours,

  
J. Ben Watkins III