



April 6, 2009

Ms. Amy Resnick  
The Bond Buyer  
One State Street Plaza, 27<sup>th</sup> Floor  
New York, NY 10004

Re: It's Time to Close the Financial Adviser Loophole  
Michael Decker, April 6, 2009

Dear Ms. Resnick:

The commentary article by Michael Decker, co-chief executive officer of the Regional Bond Dealers Association was blatantly opportunistic, misleading and self-serving. Under the title "It's Time to Close the Financial Adviser Loophole," Mr. Decker calls for the regulation of independent financial advisers ("IFAs") and cites the problems with CDR Financial Products Inc. and Investment Management Advisory Group Inc. even though neither firm is listed as a financial adviser in The Bond Buyer's Municipal Marketplace. Also, CDR Financial Products Inc. states on its web site that it is "a registered investment advisor with the Securities and Exchange Commission." Additionally, in the New Mexico situation, a regulated broker-dealer was officially serving as financial adviser on the transaction. It is further noted that the present financial collapse was the work of regulated broker-dealers like Lehman Brothers and Goldman Sachs & Co., and Bernie Madoff's firm was also under SEC regulation. The logic is akin to saying that, after several commercial airline crashes, private pilots need more regulation.

No, the move to regulate IFAs is an attempt to increase the cost of being an independent financial adviser without a commensurate benefit to their municipal clients and to erect barriers to entry in the field. Why should IFAs be required to submit financial statements to a regulatory authority when they are not involved in the purchase or sale of securities? IFAs offer clients financial expertise and service; typically not balance sheet strength. Furthermore, IFAs are already indirectly regulated through SEC Rule 15c2-12. For example, IFAs still have to deliver final official statements within seven working days of a bond sale and also ensure that their municipal clients are making timely continuing disclosure filings.

The commonality of the abusive transactions cited by Mr. Decker and the financial meltdown was not that IFAs were involved, but that they consisted of exotic financial instruments that few people understood and were therefore easily abused. The development and use of such exotic financial products probably needs to be better regulated not the IFAs.

Sincerely,

Charles E. Casey  
Casey Financial Consulting

cc: NAIPFA