



March 15, 1982

Commissioner John R. Evans
Securities and Exchange Commission
500 North Capitol Street, N.W.
Washington, D.C. 20549

Dear Commissioner Evans:

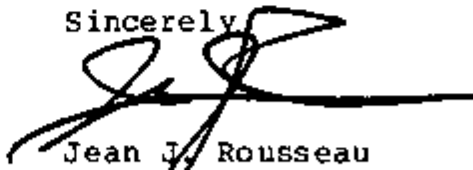
Enclosed for your review is a copy of the Board's letter to the Commission commenting on certain of the recently proposed changes to the Net Capital Rule. As the letter indicates, the Board has serious misgivings about several of the proposals, and believes that other changes to the Rule, not addressed in the Commission's Releases, should be considered.

The Board has chosen to comment on these proposals because of its concern about the liquidity of the municipal market, the ability of smaller municipal issuers to sell new issues of securities needed in order to finance community services and projects, and the continued viability of sole municipal securities firms and municipal securities broker's brokers. We know that the Commission shares these concerns. We are hopeful that you will be able to consider our letter carefully, and that our comments will assist you in finding the correct balance between the need for appropriate financial responsibility standards and the need for a smooth and efficiently functioning market for the securities of municipal issuers.

As always, should you have any questions or comments on the Board's letter, please feel free to call me or the Board's staff.

With best regards,

Sincerely,



Jean J. Rousseau
Chairman

Enclosure
JJR/pah

cc: George A. Fitzsimmons
Douglas Scarff, Esq.
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