

ROOSEVELT & CROSS

INCORPORATED

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August 1, 2011

Ms. Marcia E. Asquith
Office of the Corporate Secretary
Financial Industry Regulatory Authority
1735 K Street, NW
Washington, DC 20006-1506

Re: Regulatory Notice 11-28: Proposal to Amend Schedule A of the FINRA By-Laws to establish an accounting support fee to fund the Governmental Accounting Standards Board

Dear Ms. Asquith:

Roosevelt & Cross Inc. ("R&C") appreciates the opportunity to comment on the proposed new Section 14 (Accounting Support Fee for Governmental Accounting Standards Board or "GASB") under Schedule A to the FINRA By-Laws.

The GASB was created in 1984 pursuant to an agreement among the Financial Accounting Foundation, the American Institute of Certified Public Accountants, the Council of State Governments, the Government Finance Officers Association, the International City/County Management Association, the National Association of Counties, the National Association of State Auditors, Comptrollers and Treasurers, the National Conference of State Legislatures, the National League of Cities, the National Governors' Association and the U.S. Conference of Mayors. Neither FINRA (NASD at the time) nor MSRB registered firms were involved in the creation of GASB.

The Dodd – Frank Act authorized the SEC to require a national securities association to establish a reasonable annual accounting support fee to adequately fund the annual budget of the GASB and to assess the fee's financing on its member firms. The Act essentially authorized the SEC to establish a fee and the SEC designated FINRA to determine who is to be subject to the fee and how much is to be collected. R&C disagrees with the concept of assessing the entire cost of GASB on the broker-dealer community, and the assessment process based on the par value of bonds reported under MSRB rule G-14 by MSRB members in particular.

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This proposal was ostensibly issued without analysis of its financial impact on those member firms that it affects, and its potential effect on the liquidity of the market.

R&C is a regional municipal dealer that is extensively involved in underwriting municipal securities in the northeast United States. In that capacity, we are frequently the lead underwriter for the securities issued by municipalities, industrial development agencies and others. As lead underwriter, R&C may only have a financial commitment for a fraction of the bonds being issued, with co-managers and syndicate members financially responsible for the remaining bonds. To distribute the bonds to the other members of the syndicate, trades are entered into and reported pursuant to MSRB Rule G-14. Under the proposed fee assessment, R&C would be disproportionately responsible for being the lead underwriter. While financially responsible for only a portion of the distribution, we would be assessed based on our distribution of the entire issue.

While we disagree with the concept of having only one small sector of the end-users of GASB paying the entire cost of their operations, the proposed assessment is even less fair to underwriters of municipal securities.

Sincerely,



William R. O'Connell
Director of Compliance