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Pamela Dyson
Acting Director/Chief Information Officer
Securities and Exchange Commission
c/o Remi Pavlik-Simon
100 F Street NE
Washington, DC 20549

Re: SEC File No. 270-330, OMB Control No. 3235-0372

Thank you for providing the opportunity to comment on Rule 15c2-12. The usability of municipal financial disclosure lags substantially beyond that required of corporate filers. These private entities are now required to file fully machine-readable disclosures using XBRL. Although I have previously advocated for the extension of XBRL to the municipal market, I would like to offer a much more modest proposal in this comment letter.

Some municipal issuers effectively limit the usability of their disclosures by providing scanned documents or by “locking” their PDF filings. These measure prevent readers from copying and pasting text; while scanning even prevents keyword searching within the original PDF documents themselves. I recommend that the SEC follow the lead of OMB in restricting these practices.

There is substantial overlap between annual disclosure required from municipal market issuers and that mandated by the Single Audit Act as implemented by OMB Circular A-133. The universe of entities affected by the requirements – larger local governments and not-for-profits – is similar. Further, filing requirements under both A-133 and Rule 15c-12 are partially met by providing basic financial statements and footnotes. Many issuers simply submit their entire Single Audit filing to the MSRB to satisfy their continuing disclosure requirements under Rule 15c2-12.

Effective January 2015, single audit filers must provide PDFs that are unlocked, unencrypted and that contain mostly searchable text. The Census has published a document with the new PDF requirements at https://harvester.census.gov/facides/docs/create_pdf.pdf.

Quoting from OMB’s proposing document at <http://www.whitehouse.gov/sites/default/files/omb/financial/forms/sf-sac-proposed-changes.pdf>:

PDFs of audit report submissions must be unlocked, unencrypted, and at least 85% text searchable. This is accomplished through creating the PDF with a software program rather than scanning a paper copy of the audit. ... This change will increase the searchability of audit report submissions. Federal agencies should be able to search for text within the audit report without having to read extraneous information, and should be able to copy-and-paste information from the audit reports.

I recommend incorporating similar language into Rule 15c2-12. By doing so, the SEC can make this disclosure much more useful to investors and other stakeholders without imposing a large burden on issuers – most of whom are facing this requirement in the single audit process.

Regards,



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