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February 22, 2011

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Re: File Number S7-45-10

Dear Secretary Murphy:

On behalf of Allina Health System (“Allina”), I am responding to your request for comments on the proposed rules relating to municipal advisors contained in Release No. 34-63576. Allina believes that its employees and officers, including members of its Board of Directors, as employees and officers of an “obligated person” under the Securities Exchange Act of 1934 (the “Exchange Act”), should be excluded from the definition of “municipal advisor.”

Allina is a not-for-profit health care system that operates 11 hospitals and over 100 clinics and pharmacy sites, and has 24,000 employees, 5,000 physicians, and 2,500 volunteers in Minnesota and western Wisconsin. As part of our mission to provide exceptional health care, Allina frequently finances improvements to its facilities by borrowing the proceeds of tax-exempt bonds issued by municipal authorities. In the context of such borrowing, Allina is an “obligated person” under Rule 15c2-12 and the Release.

The Dodd-Frank Act amended the Exchange Act to require registration for “municipal advisors” that provide “advice to or on behalf of an ‘obligated person’ regarding municipal financial products or the issuance of municipal securities” As Allina is an “obligated person,” Allina is concerned that, without an exemption, its employees, officers and members of its Board of Directors will be required to register with the SEC as municipal advisors.

Allina’s officers and employees should be excluded from the definition of “municipal advisor.” Unlike outside advisors, Allina’s employees are not primarily financial advisors. Allina’s officers and employees are primarily engaged in the ensuring the smooth operation of Allina’s numerous hospitals and clinics, not financial advising. While there is undoubtedly a strong policy rationale for requiring the registration of outside municipal advisors retained for the purpose of providing advice on a municipal issuance, such a policy rationale does not appear to apply to Allina’s officers and employees, acting on behalf of their employer as part of their overall job duties.

Indeed, the Release appears to recognize this distinction when it excludes employees of a “municipal entity” from the definition of “municipal advisor.” A finance manager employed by a municipality whose job duties include advising the city council on municipal bond issuances is

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excluded from registration as a “municipal advisor.” Allina’s officers and employees, whose job duties may include advising the Board of Directors on tax-exempt municipal bond financing, have similar duties. Accordingly, Allina believes that our officers and employees should be, like municipal employees, exempt from registration.

Allina is also concerned that members of its Board of Directors would be subject to registration under the proposed rules. As a threshold matter, Allina does not believe that there is a legitimate distinction between excluding elected board members from registration and requiring appointed board members to be subject to registration when the duties and obligations of both types of board members are identical. Furthermore, Allina does not believe that members of its Board of Directors provide “advice to or on behalf of” Allina with respect to the structuring, timing and terms of municipal financial products and bond issuance. To the contrary, when considering matters related to municipal financial products or bond issuance, its Board members act on the advice provided to it by outside financial consultants or its staff. As a result, appointed members of its Board of Directors should be exempt from registration.

The proposed rules, as written, would place a difficult burden on Allina. Allina is a health care system, not a financial institution, and is not well situated to ensure that its employees are in compliance with the regulatory requirements of registered “municipal advisors.” Moreover, the proposed rules would hinder Allina’s efforts to retain and recruit high quality officers and Board members. Allina faces competition from other industries to retain and recruit its personnel, who may not be interested in being employed in the health care sector if it also carries the burden of being a registered financial professional. With regard to Board members, Allina’s Board members are prominent members of the business and local community who serve on an uncompensated basis, and the proposed rule requiring their registration as “municipal advisors” would discourage current and future Board members from participating in this type of community service.

For the reasons outlined above, Allina requests that the SEC exclude directors and employees of obligated persons from the definition of “municipal advisor.”

Please contact Kim Faust at 612-262-4816 if you wish to discuss this further.

Sincerely,



Duncan P. Gallagher
EVP, Chief Financial Officer