

October 5, 2009

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

Submitted electronically to *rule-comments@sec.gov*

Re: Comments on Release No. IA-2910; File No. S7-18-09; "Political Contributions by Certain Investment Advisers"

Dear Ms. Murphy:

On behalf of the New York State Health Foundation, I would like to offer a technical comment regarding the SEC's proposed rule.

The Foundation is a New York not-for-profit corporation that is a private foundation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The Foundation is charged with improving the health of New York State residents. The Foundation was formed by legislation¹ related to the conversion of a not-for-profit health insurer to a publicly-traded corporation. Our nine-member board of directors is appointed by (but not subject to removal by) the Governor, Temporary President of the Senate and the Assembly Speaker. Our statute prohibits employees of New York State from serving as board members. The Foundation operates independently of state government, and is not subject to any approvals or oversight not otherwise required of a charitable institution.

The Foundation is concerned that it may be considered to be a "government entity" and thus subject to the proposed rule despite its limited connection to state government.

The proposed rule's definition of "government entity" is so broad that it could well reach any organization whose charter was authorized by a state legislature or any of whose directors are government appointees. Accordingly, the potential reach of the regulation extends to many independent charitable organizations and effectively disqualifies certain investment advisors from providing services to them.

The Preamble to the proposed rule indicates that the main concern of the Commission in promulgating this measure was to protect the integrity of the public funds that comprise government pension plans, the proceeds of bond offerings, and other government assets. The unique case presented by independent charities, such as the Foundation, which have only limited government linkages, was not considered or addressed by the SEC.

¹ See Section 7317(k) of the New York State Insurance Law

The Foundation recommends that the Commission consider an amendment to the rule that would explicitly exclude not-for-profit corporations exempt from taxation under section 501(c)(3) of the Internal Revenue Code from the definition of "government entity" when their governing body is comprised of no elected officials.

Very truly yours,

A handwritten signature in black ink, reading "James R. Knickman". The signature is written in a cursive style with a large, looping initial "J".

James R. Knickman
President and Chief Executive Officer