

South Lake County Hospital District
c/o South Lake Hospital, Inc.
1900 Don Wickham Drive, Clermont, FL 34711

February 16, 2011

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

**RE: File No. S7-45-10
Proposed rule requiring municipal advisors to register with the SEC**

Dear Secretary Murphy:

I am president of the South Lake County Hospital District located in Clermont, Florida (the "District"), and I write to express my opposition to several provisions in the proposed regulation to require registration of municipal advisors.

The District consists of eleven board members who are appointed by the Governor of Florida, to serve terms of four years each. They are unpaid volunteers who are appointed in their individual capacity, not in any ex-officio role. They serve a definite term of office and are therefore as accountable as any elected official.

The primary purpose of the District is to support providing healthcare services in south Lake County, Florida. The District is an independent special district under Florida law with stated geographic boundaries and has the authority to levy a tax up to one mill of appraised property values.

The discussion of the proposed rule, which appears in Release Number 34-63576, at pages 40 and 41, clearly states the intention to require volunteer members of an entity, such as the District, to register as "municipal advisors". It will also apply to others who should also be exempted.

The District believes that the application of the rule in the manner proposed is contrary to the purpose of the law because it would apply to people who are not holding themselves out as experts or otherwise engaged in the business of providing municipal financial advice. Members of our District and the borrowers we serve are the ones who seek out advice from professionals, rather than render advice. They do not need to be protected from themselves. We believe that all of the following should be excluded from any requirement to register as municipal advisors:

- Volunteer members appointed by any governmental official or body to serve as members of an authority or issuer of securities. There should be no distinction between volunteer and elected members.

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- Private attorneys hired by any such bodies. These individuals are not intended to be within the class of financial advisors and to require them to register limits their ability to provide unfettered advice.

- Conduit borrowers and their representatives who apply to receive loans from such bodies. In our experience, a hospital borrower hires a professional financial advisor to advise on bond issues or making an investment decision. We do not disagree with requiring a professional financial advisor to be included within the proposed rule. But officers, directors, employees, attorneys and accountants of the conduit borrower should be excluded from the registration requirement. They are no different than employees of a municipal entity who are expressly excluded.

- Guarantors of any financial obligations issued by such bodies, including their officers, directors, employees, attorneys and accountants. In our experience, if an entity related to a borrower agrees to guarantee or be jointly obligated on a borrowing, then it should be treated just like the primary borrower and not be classified as a “municipal advisor.” A guarantor *is* properly included as an “obligated person” for purposes of Rule 15c2-12 (cited on page 23 of the discussion) because the purpose of *that* rule is to require financial disclosure from persons whose solvency directly affects the risk that bond holders take by investing. But it makes no sense to duplicate the same definitional terminology as to a municipal advisor.

Moreover, it will be extremely difficult for our District to obtain volunteer board members if these members are subjected to registration and educational requirements and the personal liability that would accompany implementation of the rule as proposed. Public service-minded individuals who seek to improve our community will not be willing to be burdened by this requirement, and the District’s mission to provide healthcare for our citizens will be frustrated.

We urge the SEC to modify the proposed rule so that it will not apply to the persons described in the above categories.

Sincerely,



Kasey Kesselring, President

cc: Senator Bill Nelson
Senator Marco Rubio
Congressman Richard Nugent