



The Carle Foundation

611 West Park Street, Urbana, IL 61801-2595

February 22, 2011

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: SEC File Number S7-45-10
Release No. 34-63576

Dear Commissioners:

The Carle Foundation ("Carle") respectfully submits these comments to the Securities and Exchange Commission in connection with the release identified above.

Background Regarding Carle

Carle is an Illinois not for profit health care system that functions as a vertically integrated provider of a broad spectrum of inpatient and outpatient health care services to a large and predominantly rural service area in east central Illinois and west central Indiana surrounding the cities of Champaign and Urbana, Illinois. Traditionally, Carle's involvement in the municipal bond market is represented by tax exempt bonds being issued as limited obligations of the Illinois Finance Authority, the repayment of which is from payments and prepayments received by the Illinois Finance Authority from Carle.

A Board of Trustees of sixteen people directs the activities of Carle. Fourteen members of the Board are elected by the members of Carle and two are appointed based on their position and serve as ex-officio, non-voting members. Many Board members also serve on certain committees and are uncompensated for their services to Carle. The Board also approves certain actions to be taken by other corporations for which Carle is the sole corporate member, including the adoption of budgets, the approval of indebtedness for money borrowed, the approval of significant unbudgeted expenditures, the execution of significant or long-term contracts, and the approval of mergers or dissolutions.

Comments on the Proposed Rules

In reviewing the proposed rules, we are concerned that the proposed rule extends the definition of "municipal advisor" to include a broader group than the consulting, financial advisory, and investment banking firms one would expect. The proposed definition of municipal advisor includes a person (who is not a municipal entity or employee of a municipal entity) that:

- (i) provides advice to or on behalf of a municipal entity or *obligated person* with respect to municipal financial products or the issuance of municipal securities...; or
- (ii) undertakes a solicitation of a municipal entity or obligated person.

Page 2

The Securities and Exchange Commission ("SEC") provided guidance that the term *obligated person* should be used as it is in Rule 15c2-12 which is the rule governing disclosure in tax-exempt bond issues and applies to conduit borrowers and their officers. Entities acting as conduit borrowers including not for profit hospitals, long-term care providers and other 501(c)3 organization are obligated persons under Rule 15c2-12. After review of the proposed rule, it has been suggested by some reviewers that the current definition of "municipal advisor" includes appointed board members and key employees. If approved as presented, the rule would require obligated persons to register with the SEC as a municipal advisor and to provide extensive disclosure of personal information and limitations on political contributions among other restrictive actions.

Conclusions and Request

The Dodd-Frank Act provision that led to the SEC's proposed rules was intended to protect municipal entities and obligated persons but we respectfully believe that an obligated person such as Carle does not need to be protected from its own Board members, whether appointed or elected. Our Board does rely on advice provided by professional, independent entities and as such the Board members and officers are the recipients of the financial advice, not the providers of that advice.

The enactment of rules under this legislation could make it more difficult to recruit Board members who serve as volunteers.

The documentation, registration, recordkeeping, testing, and continuing education requirements would be a burden on individuals who as already noted receive rather than render financial advice.

Respectfully, we request that these Proposed Rules be retracted and appropriate rules promulgated. Should you have any questions concerning these comments or desire any additional information regarding Carle, please contact me at (217) 383-4369 or scott.hendrie@carle.com

Sincerely,



Scott L. Hendrie, CFA
Director – Treasury Services