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ARIZONA CORPORATION COMMISSION

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SECURITIES DIVISION
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June 2, 1992

Ms. Sheila P. Hawes
Kutak Rock
The Omaha Building
1650 Farnam Street
Omaha, Nebraska 68102-2186

RE: Maine Health and Higher Educational Facilities Authority/
No-Action Request
A.R.S. §§ 44-1843(A)(1) and 44-1843.01(A)(5)

Dear Ms. Hawes:

On the basis of the facts set forth in your letter of May 16, 1992, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

Please be aware that dealer registration is required for securities exempt under A.R.S. §44-1843(A)(1), as set forth in the provisions of A.A.C. R14-4-104(A)(5).

We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Dee Ridell Harris".

DEE RIDDELL HARRIS
Director of Securities

DRH:JB

Attachment

NOAC80.LTR

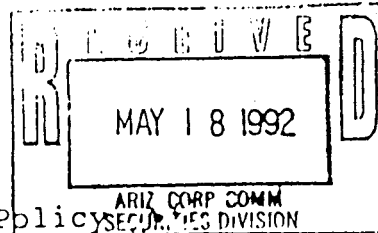
KUTAK ROCK
A PARTNERSHIP
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May 16, 1992

FEDERAL EXPRESS

Ms. Sandra Forbes
Assistant Director for Law and Policy
Arizona Securities Division
Suite 425
234 North Central Avenue
Phoenix, AZ 85004



Re: Maine Health and Higher Educational Facilities
Authority, Revenue Bonds, Series 1992A

Dear Ms. Forbes:

The Maine Health and Higher Educational Facilities Authority (the "Authority") is a public body corporate and politic and an instrumentality of the State of Maine (the "State") which was created by the State to assist health care institutions and institutions of higher education in the State in the undertaking of projects involving the construction, acquisition, improvement, reconstruction and equipping of health care and educational facilities and the financing of existing indebtedness. The Authority is comprised of four State officials as ex-officio members (the State Treasurer, the State Superintendent of Banking, Commissioner of the Department of Human Services and the Commissioner of the Department of Education) and eight other members appointed by the governor. The Authority is also empowered to finance student loan programs.

The Authority, we believe, is a public body that fits within the exemption of Section 44-1843(A)(1) of the Arizona Revised Statutes as an instrumentality of a state.

The Authority now proposes to issue and sell approximately \$8,000,000 of Revenue Bonds (the "Bonds"), the

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proceeds of which will be loaned by the Authority to three private, nonprofit and charitable corporations organized and existing under the laws of the State of Maine, each of which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (collectively, the "Institutions").

The Institutions are as follows:

(a) The Alliance for the Mentally Ill of Greater Portland ("Alliance"). Alliance is a mental health agency headquartered in Portland, Maine which provides services to adults with serious and persistent mental illness, including (i) psychosocial rehabilitation facilities (social clubs), (ii) prevocational and vocational training, (iii) supported employment and (iv) advocacy on behalf of individuals with mental illness and their families. The loan to Alliance from the proceeds of the Bonds will be used to finance the acquisition of a new facility. It is projected that no more than 30% of the proceeds of the Bonds will be loaned to Alliance.

(b) Maine Coast Regional Health Facilities ("Maine Coast"). Maine Coast is a private, nonprofit, acute care hospital located in Ellsworth, Maine. Maine Coast is licensed to operate 64 beds and provides a full range of inpatient and outpatient acute care medical services. The loan to Maine Coast from the proceeds of the Bonds will be used to refinance existing indebtedness associated with renovations to the existing hospital facility.

(c) Thomas College. Thomas College is a private, nonsectarian, coeducational institution located in Waterville, Maine. The loan to Thomas College out of proceeds of the Bonds will be used to refinance certain mortgage indebtedness and certain capital leases related to the acquisition of certain computer, telephone and copying equipment.

The proposed offering of Bonds by the Authority should be considered an offering of exempt securities under Section

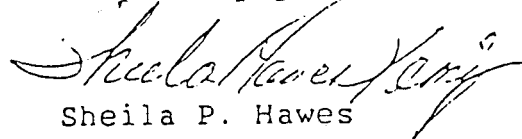
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44-1843(A)(1) of the Arizona Revised Statutes. We believe that the provisions of Section 44-1843.01(A)(5) of the Arizona Revised Statutes do not apply to this proposed offering because the proceeds of the Bonds will be used to make loans to an acute care hospital, a college and a center for the mentally ill. None of the proceeds of the Bonds will be used for those prohibited activities listed in Section 44-1843.01(A)(5) and, more specifically, we believe that the Alliance would not constitute a "clinic." Even if the Alliance were deemed to be a clinic, we note that it is projected that less than 30% of the proceeds of the Bonds will be used for that purpose and we therefore contend that no filing need be made under Section 44-1843.01(B).

On behalf of the underwriters of the Bonds, we respectfully request a determination that this offer may proceed in Arizona as an exempt offering under Section 44-1843(A)(1) and that no filing need be made under Section 44-1843.01(B). I enclose for your information a copy of the prospectus with respect to the offering together with our check in the amount of \$200 in payment of the filing fee specified in Section 44-1861(L). If you have any questions with regard to this request, please call me.

Very truly yours,


Sheila P. Hawes

Enclosures