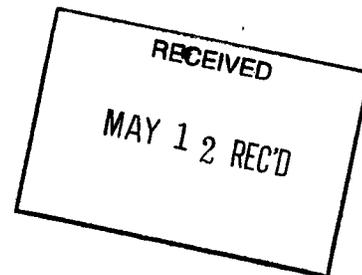


**Fiscal Year Underwriters' Quarterly Reports for
Regulatory Compliance Regarding Underwriters'
Participation in Credit default Swaps (CDS)**

NBR	Firm name	Due April 2011
1	Barclays Capital	X
2	BMO Capital Markets, LLC	X
3	Cabrera Capital Markets, LLC	X
4	Citigroup Global Markets, Inc.	X
5	Duncan-Williams, Inc	X
6	Edward D. Jones & Co., LLP	X
7	Estarada Hinojosa & Company, Inc.	X
	National Financial Services, LLC D/B/A	
8	Fidelity Capital Markets	X
9	George k. Baum & Company	X
10	Grigsby & Associates	X
11	Goldman Sachs	X
12	Jefferies Group, Inc.	X
13	J. P. Morgan Securities, Inc	X
14	Loop Capital Markets	X
15	Melvin Securities, LLC	X
16	Merrill Lynch, Pierce, Fenner & smith inc	X
17	Mesirow Financial, Inc	X
18	Morgan Keegan & Co., Inc.	X
19	Morgan Stanley & Co., Inc	X
20	M. R. Beal & Company	X
21	The Northern Trust Company	X
22	PNC Capital Markets, LLC	X
23	Podesta & Co.	X
24	Samuel A. Ramirez & Co., Inc.	X
25	RBC Capital Markets Corp	X
26	Rice Securities, LLC.	X
27	Ross, Sinclair & Associates, LLC	X
28	Robert W Baird & Co.	X
29	Siebert Brandford Shank & Co., LLC	X
30	Stern Brothers & Co.	X
31	Stifel, Nicolaus & Company Inc	X
	Wachovia Bank, NA D/B/a Wachovia	
32	Securities / Wells Fargo	X
33	William Blair & Co., LLC	X

OMAR DAGHESTANI
DIRECTOR

May 12, 2011



Mr. John Sinsheimer
Director of Capital Markets
State of Illinois Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

Thank you for letter dated April 18, 2011 regarding our firm's market activities related to credit default swaps for the period January 1, 2011 through March 31, 2011.

As background, we would like to make you aware that Barclays Capital was not in the Municipal Finance business before its acquisition of the North American operations of Lehman Brothers in September, 2008. In addition, Barclays Capital decided to cease its market making in Municipal CDS in the fall of 2009. However, we do continue to provide price information to both investor and issuer clients and may transact in Municipal CDS upon client request or for risk-reducing purposes.

We are pleased to provide the following information in response to the questions referenced in your letter.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- 1. In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.***

Barclays does not actively make a market in credit default swaps ("CDS"). In January 2011, Barclays' Credit Risk Management group, a group separate of the Barclays Bond Department, erroneously entered into an Illinois CDS trade in order to hedge counterparty risk. This trade was unwound a few days later since it had been put on in error. Other than those trades, there have been no Illinois CDS trades entered into by the firm since August 2009. Below is information the most recent data regarding our gross and net positions for the period January 1, 2011 through March 31, 2011 and as of March 31, 2011.

- Gross notional of trades from January 1 – March 31, 2011 = \$20 mil (2 trades executed in January 2011 of \$10 mil buy and sell)
- Net notional of trades from January 1, 2011 – March 31, 2011 = \$0 mil
- Gross notional of trades outstanding as of March 31, 2011 = \$53 mil
- Net notional of trades outstanding as of March 31, 2011 = \$0 mil

- 2. Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.***

Please see our response to #1.

- 3. Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.***

Please see our response to #1.

State of Illinois

May 12, 2011

Page 2

4. *List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*

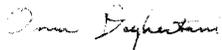
Please see our response to #1.

5. *Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.*

Attached are copies of the publicly available research released by the firm within the past three months which reference CDS market activity for a group of fifteen major issuers including the State of Illinois.

We are available at your convenience to discuss this information further and may be reached at (312) 609-4046. Thank you.

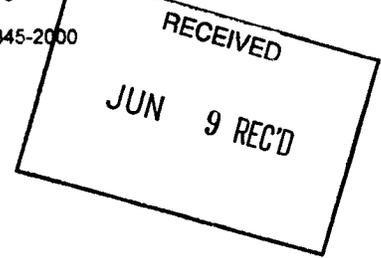
Sincerely,



Omar Daghestani

Director

cc: Ms. Sophia Ronis, State of Illinois



June 9, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget

Dear Mr. Sinsheimer:

Enclosed please find our firm's response to the questions regarding State of Illinois Credit Default Swap Activity. If you have any questions or need additional information, please let me know. I can be reached at (312) 845-2005 or marylee.corrigan@bmo.com.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary Lee Corrigan".

Mary Lee Corrigan
Managing Director
Chief Financial Officer
Administration

MLC/ays

Enclosure

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

BMO Capital Markets GKST, Inc. has not participated in any State of Illinois CDS Activity within the past three months ending March 31, 2011.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

No trades were done.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Not applicable.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

None.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

No research or marketing reports were done referencing State of Illinois CDS.



CABRERA CAPITAL MARKETS, LLC

BOSTON • LOS ANGELES • NEW YORK • MIAMI • PEPPER PIKE • PHILADELPHIA • SAN ANTONIO

April 21, 2011

John Sinsheimer
Director of Capital Markets, State of Illinois
JRTC, Suite 1S-100, 100 W. Randolph
Chicago, IL 60601



Re: State of Illinois Credit Default Swap Questions

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Cabrera Capital Markets, LLC ("Cabrera") has not participated in State of Illinois Credit Default Swap activities within the past 3 months. The firm has not traded any State of Illinois CDS.

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Cabrera has not entered into any proprietary trades for its own account in State of Illinois CDS at any time.

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Cabrera has no outstanding gross and no notional amount of proprietary State of Illinois CDS.

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

At no time in the past 3 months has Cabrera held net long or net short State of Illinois CDS proprietary credit protection positions.

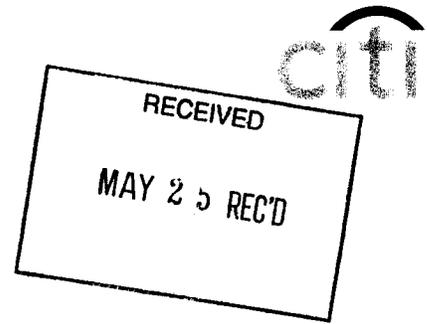
Disclose whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Cabrera has not, within the previous 3, months released any publicly available research or marketing reports that reference State of Illinois CDS.

Please let us know if you have any other questions.

Sincerely,

Robert Aguilar
Chief Operating Officer
Cabrera Capital Markets, LLC



May 25, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management
and Budget
James R. Thompson Center
100 West Randolph – Suite 16-100
Chicago, IL 60601

Re: Illinois Credit Default Swaps

Dear Mr. Sinsheimer:

In response to your letter dated April 18, 2011, Citi Global Markets had no trading activity with Illinois Credit Default Swaps during January 1, 2011 through March 31, 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "Rade R. Kljajic", with a long, sweeping horizontal line extending to the right.

Rade R. Kljajic
Managing Director

DUNCAN - WILLIAMS, INC.
INVESTMENT BANKERS EST. 1969

May 25, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC Suite 15-100
100 W. Randolph Street
Chicago, IL 60601

Dear Mr. Sinsheimer,

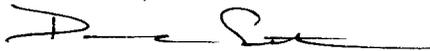
Attached please find two (2) hard copies of our response to the *State of Illinois Credit Default Swap Questions* that were enclosed with your letter dated April 18, 2011. As it so happens, the timing of your letter coincided with our move to a new address. Unfortunately, due to an issue with the mail forwarding system at our prior location, we experienced a delay in receiving your inquiry.

As of April 15, 2011 our permanent address in New York City is as follows:

Duncan-Williams, Inc.
1350 Avenue of the Americas
Suite 820
New York, New York 10019

We apologize for any inconvenience this may have caused and look forward to working with the State of Illinois as it seeks to effectively access the capital markets for its funding needs.

Sincerely,



Dominick Setari
Director, Public Finance

Encl: response to questionnaire – 2 copies

cc: Carlos Desmaras, New York
Adriana Vargas, Chicago

State of Illinois Credit Default Swap Questions

RECEIVED
MAY 25 REC'D

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
- Indicate whether within the previous 3 months, the firm released any publicly available research on marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Duncan-Williams, Inc. does not participate in any credit default swap market-making activities. Duncan-Williams, Inc. did not participate in any State of Illinois credit default swaps within the past 3 months. In addition, the Firm did not release any publicly available research on marketing reports that reference State of Illinois CDS.

Carlos Desmarás
Carlos Desmarás
Managing Director
Duncan-Williams, Inc.

May 25, 2011
Date

ESTRADA HINOJOSA



May 25, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

In response to your request concerning information about our firm's market activities related to credit default swaps per State of Illinois General Obligation bonds and Build Illinois bonds, from January 1, 2011 through March 31, 2011, Estrada Hinojosa & Company, Inc. had no involvement in credit default swaps relating to the State of Illinois or any other group. Enclosed, please find our response on January 19, 2011 relating to the Credit Default Swap (CD) Questions which were mailed out to you. Please address all future letters to the following email address for a prompt response to tnolan@ehmuni.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Nolan".

Tom Nolan
Senior Managing Director

ESTRADA HINOJOSA & COMPANY, INC.
100 West Tower, Suite 4700, Lockbox 47 Dallas, Texas 75201
100 West Tower, Suite 4700, Lockbox 47 Dallas, Texas 75201
Tel: (214) 658-5352 Fax: (214) 658-1671

HOUSTON LOS ANGELES MIAMI NEW YORK SAN ANTONIO SAN DIEGO

ESTRADA HINOJOSA

January 19, 2011

Mr. John Sinsheimer
Director of Capital Markets
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Re: Credit Default Swap (CDS) Questions

Dear Mr. Sinsheimer:

We at Estrada Hinojosa and Company, Inc. ("Estrada Hinojosa" or "Firm") are pleased to respond to your inquiry about our Firm's role regarding credit default swaps ("CDS") as they relate to market making activities and the debt of the State of Illinois. The short answer is Estrada Hinojosa has nothing to disclose.

Our Firm is a FINRA-registered broker-dealer, fully licensed to participate in the financial markets. However, our business model does not include market making activities for CDS, whether related to the State of Illinois debt or that of any other municipal bond issuer.

Estrada Hinojosa was privileged to serve the State of Illinois during 2010 as a bond underwriter for the following two transactions:

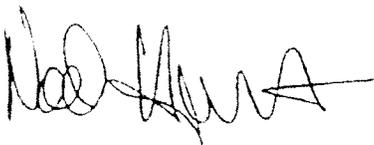
- General Obligation Bonds, Taxable Series of January 2010 \$3,466,000,000 1/15/2010
- Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1 \$279,300,000 7/1/2010

Prior to 2010, Estrada Hinojosa has participated as a bond underwriter for eight other Illinois transactions totaling a principal amount of \$2,539,030,000. Please find attached a complete list of our firm's involvement with State of Illinois financings.

With the establishment of a branch office in downtown Chicago in 2009, Estrada Hinojosa is now poised to better serve the State of Illinois and welcomes additional bond underwriting assignments from you.

If we can be of further assistance, please do not hesitate to contact me.

Sincerely,



Noé Hinojosa, Jr.
President & CEO
Estrada Hinojosa & Company, Inc.

Cc: Fernando Grillo/Courtney Knight
Enc: EH State of Illinois Deals
NH/RE/na

ESTRADA HINOJOSA & COMPANY, INC.

1111 Main Street, Suite 4700, Lockbox 47 Dallas, Texas 75201

(214) 658-1671 (800) 676-5352 Fax (214) 658-1671

www.ehinc.com

CHICAGO HOUSTON MIAMI NEW YORK SAN ANTONIO SAN DIEGO

Estrada Hinojosa & Company State of Illinois Deals

UW or FA	Issuer	Issue	Amount	Dated Date	Year
Underwriter	Illinois Housing Development Authority	Multi-Family Housing Refunding Bonds, Series 1992	\$53,560,000	3/1/1992	1992
Underwriter	State of Illinois	Build Illinois Bonds, Sales Tax Revenue Bonds, Series S	\$331,645,000	9/15/1993	1993
Underwriter	Illinois Housing Development Authority	Homeowner Mortgage Revenue Bonds, Series 1994	\$60,000,000	7/1/1994	1994
Underwriter	Illinois Housing Development Authority	Multi-Family Housing Bonds, Series 1994	\$57,625,000	11/1/1994	1994
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Priority Revenue Bonds, 2005 Series A	\$770,000,000	6/22/2005	2005
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Priority Revenue Bonds, 2006 Series A-2	\$500,000,000	6/7/2006	2006
Underwriter	Illinois State Toll Highway Authority	Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-1	\$383,100,000	2/7/2008	2008
Underwriter	Illinois State Toll Highway Authority	Toll Highway Variable Rate Senior Refunding Revenue Bonds, 2008 Series A-2	\$383,100,000	2/7/2008	2008
Underwriter	State of Illinois	General Obligation Bonds, Taxable Series of January 2010	\$3,466,000,000	1/15/2010	2010
Underwriter	Illinois State Toll Highway Authority	Toll Highway Senior Refunding Revenue Bonds, 2010 Series A-1	\$279,300,000	7/1/2010	2010
		10 Transactions Totaling:	\$6,284,330,000		



May 6, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management & Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

In response to your inquiry dated April 18, 2011 regarding our firm's market activities related to credit default swaps; Fidelity Capital Markets, a division of National Financial Services LLC has never and does not trade any municipal bond credit default swaps, either for our dealer inventory, proprietary account or on behalf of investor clients. Additionally Fidelity Capital Markets has not published any reports recommending the purchase or sale of Illinois credit default swaps.

Thank you for your inquiry. Please do not hesitate to contact me if you have additional questions.

Sincerely,

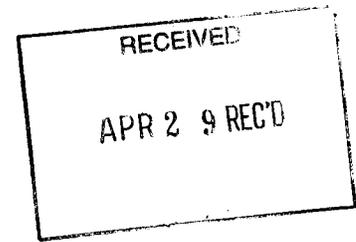
A handwritten signature in black ink, appearing to read "Timothy J. Coffin".

Timothy J. Coffin
Vice President
TJC/hs



George K. Baum & Company

INVESTMENT BANKERS SINCE 1928



April 21, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-1100
100 W. Randolph
Chicago, Illinois 60601

RE: State of Illinois Credit Default SWAP Questions

Dear Mr. Sinsheimer:

Enclosed please find our responses to the above-referenced questions.

We appreciate the opportunity to submit our response to the State of Illinois.

Regards,

George K. Baum & Company

Albert A. Boumenot
Senior Vice President
Illinois Public Finance

AAB/ch

Enclosure

With the proliferation of credit default swaps, George K. Baum & Company prides itself on the fact that it does not, will not, nor has it ever participated in the practice. The primary purpose of George K. Baum & Company's proprietary trading is to provide liquidity for our public finance clients' bonds in the secondary market. As a client-first business, our firm will never place financial bets against our clients, or use financial products, of any type, that aim for a negative outcome. Additionally, George K. Baum & Company will never facilitate such trading activity on behalf of others. George K. Baum & Company's main focus will always be to put our clients' interests first.

State of Illinois Credit default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trade and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.*
None. George K. Baum & Company has never participated in State of Illinois CDS activities.
- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.*
None. George K. Baum & Company has never entered into any such trades.
- Disclose your firm's outstanding gross and notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.*
None. George K. Baum & Company has never participated in any such trading activity.
- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.*
None. George K. Baum & Company has never participated in State of Illinois CDS activities.
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments*
None. George K. Baum & Company has never generated any such reports.



GRIGSBY & ASSOCIATES

11 S. LaSalle St., Suite 1510
Chicago, IL 60603
Phone (312) 629-9500
Fax (312) 629-9503

May 20, 2011

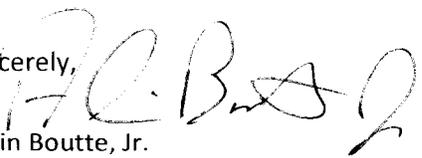
John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC., 100 W. Randolph, Suite 16-100
Chicago, IL 60601

Director:

Grigsby and Associates has not participated in any credit default swaps on State of Illinois General Obligation bonds and/or Build Illinois bonds between January 1, 2011 and March 31, 2011. For at least the past ten years Grigsby and Associates has not been counterparty, traded or taken a position in any credit default swaps on State of Illinois General Obligation bonds, Build Illinois bonds or any bonds from a State of Illinois issuers.

Any related questions can be answered in greater detail upon request.

Sincerely,


Alvin Boutte, Jr.

Partner/Managing Director



May 6, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

I am pleased to respond on behalf of Goldman, Sachs & Co. to the questions posed in your letter dated April 18, 2011 regarding our firm's activities related to State of Illinois municipal credit default swaps ("CDS").

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months.

Please include and/or indicate the following:

- ***In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.***

As it has done in respect of many states' CDS, Goldman Sachs participated in market-making activities with respect to State of Illinois CDS the past fiscal quarter (January 1, 2011 through March 31, 2011). Goldman Sachs's cumulative notional volume of trades in State of Illinois CDS during that time was \$190.0 million. Goldman Sachs's net notional position as of March 31, 2011 in Illinois CDS was \$77.5 million, and our gross notional position in Illinois CDS was \$1,736.5 million.

It is not feasible to assess whether Goldman Sachs is long or short exposure to State of Illinois credit solely by reference to notional amounts of CDS, as other considerations, including the various maturities of our CDS positions and our risks related to market-making activities in the State's bonds, are key determinants and drivers of the firm's risk profile.

- ***Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.***

Goldman Sachs has not entered into any trades for its own proprietary account in State of Illinois CDS during the past fiscal quarter. As noted above, Goldman Sachs has entered into Illinois CDS contracts from time to time, stepping in with its own capital to execute client trades as a principal in order to promote market liquidity in a market-making capacity.



- **Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.**

Please see the above answers.

- **List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.**

Please see the above answers.

- **Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.**

During the previous fiscal quarter, Goldman Sachs has not published any research or marketing reports concerning State of Illinois CDS. In that regard, the firm's Global Investment Research Division does not create or publish research on municipal issuers. From time to time, various groups within the firm's Securities Division have provided marketing materials to clients to educate them generally about the municipal asset class and the products available to gain or limit exposure to that asset class, including tax-exempt bonds, interest rate derivatives, CDS and, most recently, BABs. These materials are available to the firm's institutional sales force and are on occasion in turn provided to certain investing clients.

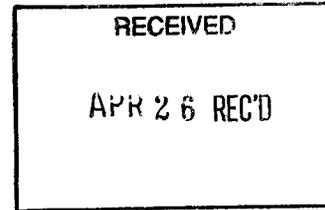
Thank you for the opportunity to respond to your questions. We look forward to continuing to serve the State of Illinois and the larger municipal market.

Sincerely,

KATHLEEN BROWN By 
Kathleen Brown
Chairman of Investment Banking for the Midwest

GRIGSBY & ASSOCIATES

11 S. LaSalle St., Suite 1510
Chicago, IL 60603
Phone (312) 629-9500
Fax (312) 629-9503



April 25, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC., 100 W. Randolph, Suite 16-100
Chicago, IL 60601

Director:

Grigsby and Associates has not participated in any credit default swaps on State of Illinois General Obligation bonds and/or Build Illinois bonds. For at least the past ten years Grigsby and Associates has not been counterparty, traded or taken a position in any credit default swaps on State of Illinois General Obligation bonds, Build Illinois bonds or any bonds from a State of Illinois issuers.

Any related questions can be answered in greater detail upon request.

Sincerely,

A handwritten signature in black ink, appearing to read "Alvin Boutte, Jr." with a stylized flourish at the end.

Alvin Boutte, Jr.
Partner/Managing Director

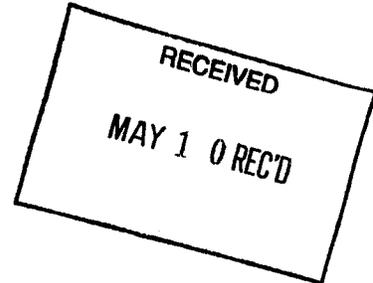
Jefferies

Jefferies & Company, Inc.

Municipal Securities Group
520 Madison Avenue
New York, NY 10022
tel 212.284.4674
fax 646.786.5466
Jefferies.com

May 2, 2011

John Sinsheimer
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601



Dear Mr. Sinsheimer,

I am providing information about Jefferies & Company, Inc. market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from January 1, 2011 through March 31, 2011. Please see page 2.

Sincerely,



Stephen Wood
Managing Director
Jefferies & Company, Inc.
520 Madison Ave., 8th floor
New York, NY 10022

Re: State of Illinois General Obligation bonds and Build Illinois bonds for the period January 1, 2011 through March 31, 2011.

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps (“CDS”) within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Jefferies reports: **NONE**

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Jefferies reports: **NONE**

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachment.

Jefferies reports: **NONE**



By Mail to:

State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph, Suite 16-100
Chicago
Illinois 60601
Attention: John Sinsheimer, Director of Capital Markets

By Electronic Mail to:

John.Sinsheimer@Illinois.gov
Sophia.Ronis@Illinois.gov

April 28, 2011

Dear John,

I refer to your letter of April 18, 2011 setting out certain questions concerning State of Illinois Credit Default Swaps ("State of Illinois CDS").

For background concerning the development of the municipal credit default swap markets (including the development of the MCDX Index) and J.P. Morgan's role in those markets, I refer you to my letter to you of January 21, 2011. As in my January 21, 2011 letter, in the responses that follow we have not included data relating to the MCDX Index since trading in the MCDX Index is not specific to the State of Illinois or any other single municipal entity.

During the period January 1, 2011 through March 31, 2011 (the "Relevant Period"), J.P. Morgan did participate in market-making activities in relation to State of Illinois CDS. In response to the questions presented in your request (and in the order in which they were presented):

- During the Relevant Period, J.P. Morgan entered into State of Illinois CDS having a cumulative notional amount of US\$25.8 million, reflecting US\$0.8 million of unwind activity and \$25 million in new transactions. As of the end of the Relevant Period, J.P. Morgan was party to State of Illinois CDS having a gross notional amount of US\$389.2 million and had a net notional short credit protection position of US\$0.8 million.
- J.P. Morgan did not enter into any proprietary trades in State of Illinois CDS during the Relevant Period and, as of the end of the Relevant Period, had no proprietary trades in State of Illinois CDS.

- As of the end of the Relevant Period, the outstanding notional amount of proprietary trades in State of Illinois CDS entered into by J.P. Morgan was zero.
- At no time during the Relevant Period did J.P. Morgan hold net long or net short proprietary State of Illinois CDS positions.
- J.P. Morgan did not, during the Relevant Period, release any publicly available research or marketing report that expresses a view with respect to State of Illinois CDS. While we believe that they fall outside the scope of the inquiry, we note that from time to time the State of Illinois may appear in CDS Daily Trading Volumes reports published by J.P. Morgan Research. These reports, which are produced entirely from publicly available information and contain data such as percentage changes in CDS trading volumes in relation to a variety of corporate, sovereign and municipal entities including the State of Illinois, do not express any views or recommendations. Should you wish to see copies of those reports, please let me know.

I would like to emphasize that the State of Illinois is a highly valued client of J.P. Morgan and to reiterate our commitment to advancing its interests. If you wish to discuss this matter further, or J.P. Morgan's partnership with the State of Illinois in meeting its financing needs, please do not hesitate to contact me at 312-385-8444 or by email at eric.r.rockhold@jpmorgan.com.

Sincerely,



Eric R. Rockhold
Managing Director



200 West Jackson Blvd., Suite 1600
Chicago, IL 60606
T 312.913.4900 F 312.913.4928
Toll Free 888.294.8898
www.loopcapital.com

April 26, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois – Governor’s Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601



Dear Mr. Sinsheimer:

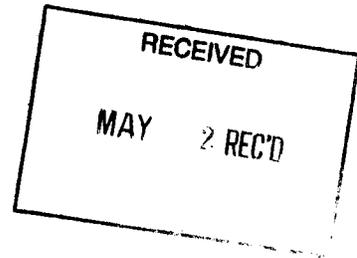
Please be advised that during the last three months Loop Capital Markets LLC has not engaged in any market making activities related to any State of Illinois credit default swaps. If you need any additional information please feel free to call me at (312) 356 – 5009.

Sincerely,

A handwritten signature in black ink, appearing to read "Clarence Bourne". The signature is fluid and cursive.

Clarence Bourne
Managing Director
Phone: 312.356.5009
Email: clarenceb@loopcap.com

May 2, 2011



John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget.

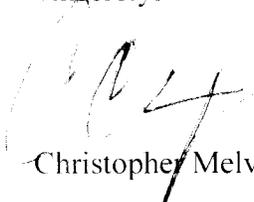
RE: Request for information regarding the firm's market activities related to credit default swaps on State of Illinois General Obligation bonds and Build Illinois bonds

Dear Mr. Sinsheimer,

Melvin Securities, a Chicago headquartered investment banking firm, is pleased to respond to the State's inquiry regarding credit default swap activity. We do not participate in the credit default swap market.

We look forward to continue working with the State in the future and offer our experience and knowledge in the investment banking and underwriting services we offer.

Sincerely,



Christopher Melvin
CEO



James Beck
Managing Director

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps (“CDS”) within the past 3 months. Please include and/or indicate the following:

- In the event of your firm’s participation in State of Illinois CDS activities within the past 3 months please disclose your firm’s cumulative notional volume of State of Illinois CDS trades and the firm’s outstanding gross and net notional amounts of State of Illinois CDS, as of the end of the current 3-month period.

Melvin Securities has not participated in the State of Illinois CDS market. We do not participate in the CDS market.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Melvin Securities has not entered into any proprietary trades for its account in the State of Illinois CDS.

- Disclose your firm’s outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Melvin Securities did not participate as a counterparty to any of the State of Illinois CDS.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Melvin Securities does not hold any positions in the State of Illinois CDS market.

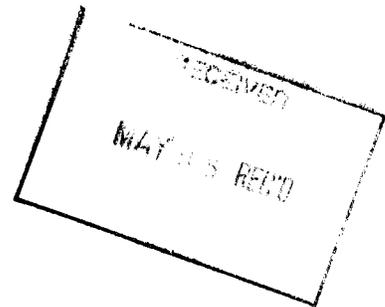
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Melvin Securities has not released any such research or marketing reports referencing the State of Illinois CDS.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

May 6, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601
United States



Dear Mr. Sinsheimer:

Thank you for your letter dated April 18, 2011 to Philip Rooney. I am responding on behalf of Bank of America Corporation and its affiliates, including Merrill Lynch, Pierce, Fenner & Smith Incorporated (collectively "BAML"). We value our relationship with the State of Illinois and are pleased to provide the following information. For purposes of this letter, we are providing information for the three months ended March 31, 2011. For ease of reference, we have restated your questions before each response.

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

By way of background, BAML does not take and maintain unhedged long or short positions, unrelated to market making, of Illinois General Obligation ("GO") CDS. Instead,

Merrill Lynch, Pierce, Fenner & Smith Incorporated member FINRA/SIPC, is a subsidiary of Bank of America Corporation

BAML is a swaps market maker and in that capacity makes regular two-way markets in municipal CDS, including CDS on Illinois GO bonds, and acts as a swaps dealer with respect to Illinois GO CDS. BAML's trading of Illinois GO CDS, while effected as principal for our own account, is in response to the flow of actual and anticipated counterparty market making transactions, and while BAML's Illinois GO CDS exposure on a net basis at any given time may be modestly long (BAML being a net purchaser of unhedged credit protection) or short (BAML being a net seller of unhedged credit protection), BAML seeks to maintain, over time, a more or less balanced book of long and short transactions. For the quarter ending March 31, 2011 the cumulative notional volume of Illinois GO CDS purchases were \$39,700,000 and sales were \$10,000,000. As of March 31, 2011, BAML's outstanding gross notional amount of Illinois GO CDS was \$655,400,000 and the outstanding net notional amount of Illinois GO CDS was a net short position of \$61,600,000 (that is, BAML was a net seller of Illinois CDS protection as of that date, and thus net long Illinois GO risk, as it would be if it were a holder of Illinois GO bonds).

In addition, we have prime brokerage positions which represent our "back-to-back" intermediation of trades between certain hedge fund clients and their counterparties. These transactions are custodial in nature and do not represent risk positions of our firm. As of March 31, 2011 BAML's prime brokerage outstanding gross notional amount of Illinois GO CDS was \$100,000,000 and the outstanding net notional amount of Illinois GO CDS was \$0 (that is, prime brokerage accounts were flat Illinois GO CDS protection as of that date).

Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

As discussed above, BAML does not engage in proprietary trading by taking and maintaining unhedged long or short positions, unrelated to market making, of Illinois GO CDS. The activity conducted for BAML's own account is undertaken (a) to hedge specific, identified State credit exposures held by BAML, such as State general obligation (GO) bonds, credit facilities or derivative credit exposures, or (b) pursuant to BAML's ongoing, client-driven market-making activities.

Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

As discussed above, the question is not applicable as BAML did not engage in proprietary trading.

List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

As discussed above, the question is not applicable as BAML did not engage in proprietary trading.

Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

During the three month period ended March 31, 2010, the Municipal Markets group at ML would have included information about generic Illinois CDS spreads along with information about other state spreads in certain marketing materials, but did not specifically highlight them.

Municipal research analysts at BAML produced several research reports that discussed the municipal CDS market, including references to State of Illinois CDS. We are providing copies of those reports for the period ending March 31, 2011 with the understanding that they are proprietary, copyrighted documents prepared for the use of our clients, and may not be redistributed, transmitted, disclosed, or posted to any website, in whole or in part, in any form or manner, without our express written consent. BAML reserves all rights in such documents.

This letter is being submitted to you with the request that you keep it confidential and not provide or otherwise disclose it to any party, unless you are required to do so by law. If your office should decide to disclose any of the information to any other government agency or person, we also ask that you notify us immediately and provide that agency or person with notice of this request. Furthermore, if any person should request the opportunity to inspect or copy this letter, we ask to be notified immediately and given advance notice of any intended release.

If you have additional questions, please do not hesitate to contact me.

Very truly yours,

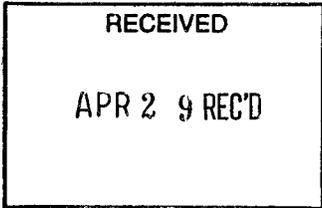


Susan Jun

cc: Sophia Ronis



353 North Clark Street, Chicago, Illinois 60654
312.595.6000 mesirofinancial.com



April 26, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 West Randolph
Chicago, Illinois 60601

Dear Mr. Sinsheimer,

Mesirow Financial has not participated in any credit default swap market activities related to State of Illinois General Obligation bonds and Build Illinois bonds. Our responses to your questions sent on April 18, 2011 are enclosed. Please contact me if you require any additional information or clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Hoopes", written over a horizontal line.

Stephen Hoopes
Senior Managing Director
Mesirow Financial, Inc.
Department of Public Finance

Enclosure

State of Illinois Credit Default Swap Questions

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps (“CDS”) within the past 3 months. Please include and/ or indicate the following:

- In the event of your firm’s participation in State of Illinois CDS activities within the past 3 months please disclose your firm’s cumulative notional volume of State of Illinois CDS trades and the firm’s outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Mesirow Financial has not held any State of Illinois CDS securities within the past 3 months.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Mesirow Financial has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3-month period.

- Disclose your firm’s outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Mesirow Financial does not have any outstanding State of Illinois CDS as of the end of the current 3-month period.

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

Mesirow Financial has not held State of Illinois CDS proprietary credit positions during the past 3 months.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

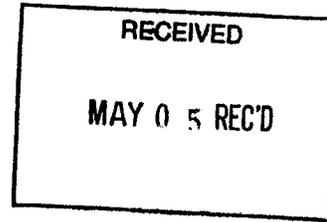
Mesirow Financial has not released any publicly available research or marketing reports that reference State of Illinois CDS in the past 3 months.

Morgan Keegan

MEMBERS NEW YORK STOCK EXCHANGE

Morgan Keegan & Company, Inc.
Morgan Keegan Tower
Fifty Front Street
Memphis, Tennessee 38103
901/524-4100 Telex 69-74324
WATS 800/366-7426

May 4, 2011



Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph, Suite 16-100
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

Thank you for the opportunity to respond regarding Morgan Keegan's market activities related to credit default swaps as referenced in your letter of April 18, 2011.

First, I want to emphasize that Morgan Keegan does not trade credit default swaps (CDS), either on a proprietary account basis or for the accounts of others. Neither do we publish investment recommendations advising clients to hold positions of CDS. As a large firm, we do circulate market updates both internally and externally, which may have included a summary statement regarding trading levels of Illinois CDS at the time such information was published. These statements are summaries of news articles and in some cases are approved for institutional account distribution.

Historically we have had minimal proprietary trading and currently have no ongoing proprietary trading programs. At one time we had a small variable rate-to-variable rate tender option bond program, but it was unwound during the liquidity crisis. The variable rate-to-variable rate structure of that type program highlights the conservative nature of our firm. It is this conservative approach that has led our consistent growth to the \$1.3 billion in revenues we have today, along with almost \$1 billion in equity capital. Our fiscal 2010 was no exception, producing another record revenue year marking at least 20 years of steady growth.

Our public finance practice is built on relationships, ideas and execution. The concept is simple: our priority is to build strong client relationships, bring those clients innovative, problem solving ideas, and execute the ideas better than any of our competitors. These principles are the driving force behind our banking team, which serves your State.

Page 2

Mr. Sinsheimer

We are proud to be a part of the State's underwriting team as we continue to grow our presence there. If at any time you feel the financing needs of Illinois are not being met by our firm, please feel free to call me directly. It is our privilege to have the opportunity to serve your State.

Best regards,

A handwritten signature in black ink, appearing to read "K. Thompson", written over a light gray circular watermark.

Kevin Thompson
Managing Director
Public Finance Investment Banking

cc: Rob Baird
President, Investment Banking

April 20, 2011

By Email and Overnight Mail

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

Re: Request for CDS Information

Dear Mr. Sinsheimer:

We write on behalf of Morgan Stanley & Co. Incorporated (“MSCO”) to provide information regarding MSCO’s activity in single-name credit default swaps related to the State of Illinois for the period of January 1, 2011 through March 31, 2011 as required by Illinois statute.

The CDS transactions referenced herein were not effected by MSCO. Rather, they were effected by affiliates of MSCO known as Morgan Stanley Capital Services, Inc. and Morgan Stanley International, PLC, neither of which act as an underwriter for State transactions. The cumulative notional volume¹ of State of Illinois CDS trades during the Review Period was \$122 million. The outstanding gross and net notional amount² of State of Illinois CDS as of the end of the Review Period is \$2,207,900,000 and \$22,169,000, respectively. There were no proprietary transactions in State of Illinois CDS effected during the review period, and there were no research or marketing reports created during the review period.

Respectfully submitted,



Carly Scales
Executive Director

cc: Kacy Bassett

¹ This number reflects the sum of the absolute value of the notional of all purchases and sales for CDS related to the State of Illinois.

² We interpret gross notional value to mean the sum of the absolute values of the notional of the individual transactions. We interpret the net notional value to mean the net amount of underlying exposure on the State of Illinois when transacting in CDS.

April 20, 2011

By Email and Overnight Mail

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

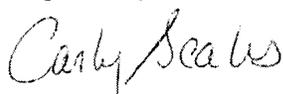
Re: Request for CDS Information

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We write on behalf of Morgan Stanley & Co. Incorporated ("MSCO") to provide information regarding MSCO's activity in single-name credit default swaps related to the State of Illinois for the period of January 1, 2011 through March 31, 2011 as required by Illinois statute.

The CDS transactions referenced herein were not effected by MSCO. Rather, they were effected by affiliates of MSCO known as Morgan Stanley Capital Services, Inc. and Morgan Stanley International, PLC, neither of which act as an underwriter for State transactions. The cumulative notional volume¹ of State of Illinois CDS trades during the Review Period was \$122 million. The outstanding gross and net notional amount² of State of Illinois CDS as of the end of the Review Period is \$2,207,900,000 and \$22,169,000, respectively. There were no proprietary transactions in State of Illinois CDS effected during the review period, and there were no research or marketing reports created during the review period.

Respectfully submitted,



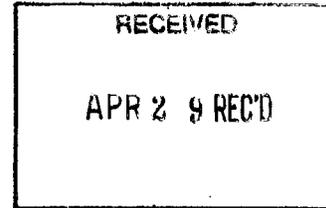
Carly Scales
Executive Director

cc: Kacy Bassett

¹ This number reflects the sum of the absolute value of the notional of all purchases and sales for CDS related to the State of Illinois.

² We interpret gross notional value to mean the sum of the absolute values of the notional of the individual transactions. We interpret the net notional value to mean the net amount of underlying exposure on the State of Illinois when transacting in CDS.

M R BEAL & COMPANY



April 26, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois, Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer:

Attached are two hard copies of M.R. Beal & Company's response regarding our firm's market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from January 1, 2011 through March 31, 2011.

Please let me know if any additional information is needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Osee Pierre".

Osee Pierre
Vice President
M.R. Beal & Company

Enclosure

State of Illinois Credit Default Swap Questions

April 26, 2011

Disclose whether your firm has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- In the event of your firm's participation in the State of Illinois CDS activities within the past 3 months, please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has not participated in any State of Illinois CDS activities.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has not entered into any proprietary trades for its own account in State of Illinois CDS.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

As of the end of the current 3-month period, M.R. Beal & Company has a ZERO outstanding gross and net notional amount of proprietary State of Illinois CDS.

- List all time periods during the past 3-months during which the firm held long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

During the past 3-months, M.R. Beal & Company has not held ANY long or net short State of Illinois CDS proprietary credit protection positions.

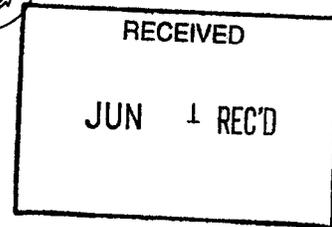
- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Within the previous 3 months, M.R. Beal & Company has not released any publicly available research or marketing reports that reference State of Illinois CDS.

The Northern Trust Company
50 S. LaSalle St.
Chicago, Illinois 60603



Northern Trust



June 1, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management & Budget

Northern's Answer to State of Illinois Credit Default Swap Questions

Dear Mr. Sinsheimer,

Below is The Northern Trust Company's response to your Credit Default Swap inquiry.

- In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

Answer: The Northern Trust Company did not hold or trade any State of Illinois credit default swaps from January 1, 2011 through March 31, 2011.

- Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

Answer: The Northern Trust Company did not enter into any proprietary trades for its account in State of Illinois credit default swaps from January 1, 2011 through March 31, 2011.

- Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

Answer: NA

- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

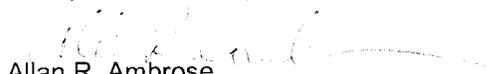
Answer: NA

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

Answer: The Northern Trust Company did not release any research or marketing that reference State of Illinois Credit Default Swaps.

Should you have any questions please contact me at (312) 557-0945.

Sincerely,


Allan R. Ambrose
Senior Vice President

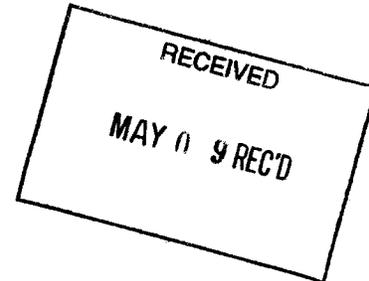
PNC Capital Markets LLC
One PNC Plaza, 21st Floor
249 Fifth Avenue
Pittsburgh, PA 15222-2707

PNC

412 768-7194 Tel
412 705-2679 Fax
leonard.ferleger@pnc.com

Leonard S. Ferleger
Chief Counsel

May 6, 2011



VIA OVERNIGHT MAIL

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, Suite 15-100, 100 W. Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer,

Your letter of April 18, 2011 addressed to Jason DiMartini, a Managing Director of PNC Capital Markets LLC, has been forwarded to me for response. Based on conversations with the appropriate personnel of PNC Capital Markets LLC and PNC Bank, National Association, I can inform you that neither entity has participated in credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") during the period from January 1, 2011 to March 31, 2011 or released any publicly available research or marketing reports that reference State of Illinois CDS. Thus, neither entity has any information to report in response to the other four questions you posed. In addition, based on the conversations referenced above, I can inform you that no other entities that are subsidiaries of The PNC Financial Services Group, Inc. are authorized to enter into credit default swaps for their own account. If you need any further assistance from PNC, please contact me by one of the means listed above.

Respectfully,

Leonard S. Ferleger

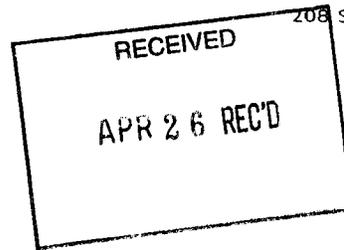
cc: Jason DiMartini

The PNC Financial Services Group

One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222-2707

MEMISWORD:LENN Letter to State of Illinois 5-06-11

PODESTA & CO.



208 SOUTH LASALLE STREET
SUITE 1460
CHICAGO, IL 60604
(312) 899-0133
FAX (312) 899-0910
podestaco.com

April 20, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
JRTC, 100 W. Randolph, Suite 16-100
Chicago, IL 60601

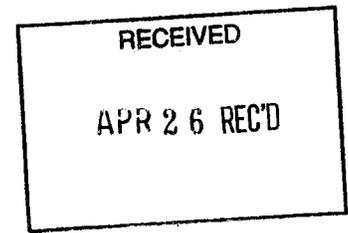
Dear Mr. Sinsheimer,

Podesta & Co. has not participated in any credit default swap market-making activities related to any State of Illinois credit default swaps ("CDS") within the past 3 months and has never released any publicly available research or marketing reports that reference State of Illinois CDS.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carol Podesta Foley".

Carol Podesta Foley
President



April 21, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois - Governor's Office of Management and Budget
JRTC, Suite 15-100
100 W. Randolph St.
Chicago, IL 60601

Dear Mr. Sinsheimer:

Please find our response below to your communication dated April 18, 2011 regarding Ramirez & Co's ("Ramirez") use of credit default swaps ("CDS").

- 1) In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.
 - a. **N/A - Ramirez does not and has not engaged in CDS trades of any sort.**
- 2) Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.
 - a. **N/A - Ramirez does not and has not engaged in CDS trades of any sort.**
- 3) Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.
 - a. **N/A - Ramirez does not and has not engaged in CDS trades of any sort.**
- 4) List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.
 - a. **N/A - Ramirez does not and has not engaged in CDS trades of any sort.**
- 5) Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.
 - a. **N/A - Ramirez has not released or produced any of the reports referenced above.**

Please feel free to reach out to me directly at 312-630-2002 if you have any questions or concerns regarding this disclosure.

Sincerely,

Phil Culpepper
Senior Vice President
Samuel A. Ramirez & Co., Inc.

CC:
Sophia Ronis - GOMB
Ramirez Compliance Department



David Lacki, Director
RBC Capital Markets, LLC
500 W. Madison Street, Suite 2500
Chicago, IL 60661
Telephone: (312) 559-1654; Fax (312) 559-1650

April 29th, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
JRTC, Suite 16-100
100 W. Randolph
Chicago, Illinois 60601

RE: State of Illinois Credit Default Swap Inquiry

Dear John:

On behalf of RBC Capital Markets, LLC please allow the following to reply to the April 18, 2011 correspondence related to the above captioned matter.

RBC Capital Markets, LLC has not participated in credit default swap market-making activities related to any State of Illinois credit default swap within the past 3 months. In addition, RBC Capital Markets has no responsive information to the five bullet points contained in the April 18 correspondence. This does not reflect a categorical decision by the firm not to recommend or sell credit default swaps in appropriate circumstances, nor has the firm made any determination regarding marketing making activities of credit default swaps in the future.

Please advise if you are in need of any further information.

Regards,

A handwritten signature in black ink that reads "David Lacki".

David Lacki
Director
Municipal Finance
RBC Capital Markets, LLC
312-559-1654

cc: Ralph Desena
Mark Maroney
Brain Hellberg

April 25, 2011



John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget
100 W. Randolph
JRTC, Suite 15-100
Chicago, Illinois 60601

Dear Mr. Sinsheimer:

Below please find our responses to the request for information of Rice Financial Product Company's market activities related to credit default swaps per State Statute on State of Illinois General Obligation bonds and Build Illinois bonds from January 1, 2011 through March 31, 2011.

Disclose whether your firm has participated in credit default swap market-making activities related to the State of Illinois credit default swaps ("CDS") within the past 3 months. Please include and/or indicate the following:

- * In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

None.

- * Disclose whether your firm has entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

No.

- * Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

None.



- List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary were net long or net short credit protection positions.

None.

- Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

No.

Please feel free to contact me if you have any questions or require additional information. Thank you.

Sincerely,

Michael C. Murray

Michael C. Murray
Chief Executive Officer

May 26, 2011

John Sinsheimer, Director of Capital Markets
Governor's Office of Management and Budget
JRTC, Suite 15-100
100 West Randolph
Chicago, Illinois 60601

Dear John:

Ross, Sinclaire & Associates (RSA) has not participated in the trade of any State of Illinois credit default swaps (CDS). As of the end of the current three month period, RSA has not entered into any proprietary trades for its own account in the State of Illinois CDS. RSA does not hold any outstanding gross or net notional amount of proprietary State of Illinois CDS. Within the past three months RSA has not held any State of Illinois CDS proprietary credit protection positions. RSA has not released any publicly available research or marketing reports that reference State of Illinois CDS within the past three months.

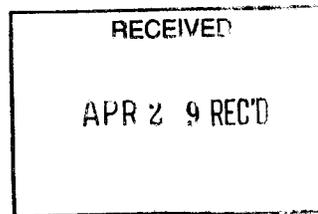
If we can provide any additional information please just let us know and we look forward to a strong continuing relationship with the State of Illinois.

Very truly yours,



Omar Ganoom
Managing Director

Thomas J. Gavin
Managing Director
Public Finance



April 26, 2011

Mr. John Sinsheimer
Director of Capital Markets
Governor's Office of Management and Budget
Jr. Thompson Center, Suite 15-100
100 West Randolph
Chicago, IL 60601

Dear Mr. Sinsheimer,

We received your written request for information regarding our firm's market activities related to credit default swaps ("CDS") on State of Illinois General Obligation Bonds and Build Illinois Bonds. Below we provide Robert W. Baird's ("Baird") responses to your CDS questions.

Q: In the event of your firm's participation in State of Illinois CDS activities within the past 3 months please disclose your firm's cumulative notional volume of State of Illinois CDS trades and the firm's outstanding gross and net notional amount of State of Illinois CDS, as of the end of the current 3-month period.

A: Baird has not participated in State of Illinois CDS activities within the past 3 months.

Q: Disclose whether your firm entered into any proprietary trades for its own account in State of Illinois CDS, as of the end of the current 3-month period.

A: Baird has not entered into any proprietary trades for its own account in State of Illinois CDS.

Q: Disclose your firm's outstanding gross and net notional amount of proprietary State of Illinois CDS and whether the net position is short or long credit protection, as of the end of the current 3-month period.

A: Baird does not have any outstanding amounts of proprietary State of Illinois CDS.

Q: List all time periods during the past 3 months during which the firm held net long or net short State of Illinois CDS proprietary credit protection positions, the amount of such positions, and whether those positions were net long or net short credit protection positions.

A: Baird has not held State of Illinois CDS proprietary credit protection positions during the past 3 months.

Q: Indicate whether within the previous 3 months, the firm released any publicly available research or marketing reports that reference State of Illinois CDS and include those research or marketing reports as attachments.

A: Baird has not released any publicly available research or marketing reports that reference State of Illinois CDS within the previous 3 months.

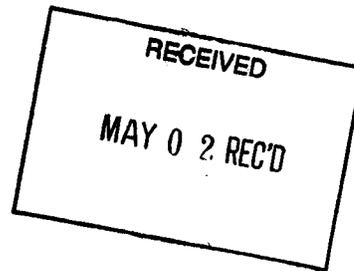
Should you require any additional information, please feel free to contact me.

Sincerely,

Thomas J. Gavin
Managing Director
Robert W. Baird & Co.

Robert W. Baird & Co. Incorporated
300 East Fifth Avenue, Suite 200
Naperville, IL 60563-3181
Main (630) 778 9178
Toll-Free (800) 686 4346
Fax (630) 778 9179
tgavin@rwbaird.com

May 2, 2011



John Sinsheimer
Director of Capital Markets
JRTC, Suite 15-100
100 W. Randolph
Chicago, Illinois 60601

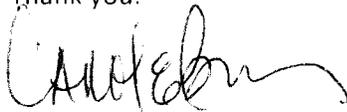
Dear John:

Below please find Siebert Brandford Shank's response to the State of Illinois's request for information regarding our firm's market activities related to credit default swaps ("CDS") from January 1, 2011 through March 31, 2011.

Siebert Brandford Shank does not participate in CDS market-making activities; accordingly, we have not participated in CDS market-making activities over the past three months. During this timeframe, our firm's cumulative notional volume of State of Illinois CDS trades is \$0 as is our firm's outstanding gross and net notional amount of State of Illinois CDS. Our firm has not entered into any proprietary trades for our own account in State of Illinois CDS as of the end of the current three-month period. Siebert Brandford Shank has never held net long or short State of Illinois CDS proprietary credit protection positions nor has our firm released any publicly available research or marketing reports that reference State of Illinois CDS over the past three months.

Please feel free to contact us if you have any questions or require additional information. We look forward to working with you and the State of Illinois in the future.

Thank you.



Carole Brown
Senior Managing Director



Elizabeth Coolidge
Managing Director

cc: Sophia Ronis

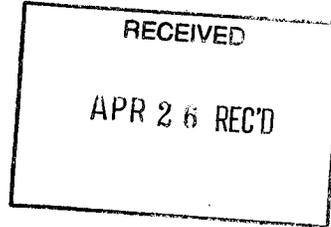
SternBrothers&Co

INVESTMENT BANKING SINCE 1917

8000 MARYLAND AVENUE, SUITE 800
ST. LOUIS, MISSOURI 63105-3911
(314) 727-5519 • FAX (314) 727-7313
WWW.STERNBROTHERS.COM

April 21, 2011

John Sinsheimer
Director of Capital Markets
State of Illinois
Governor's Office of Management and Budget



Re: Credit Default Swaps

Stern Brothers & Co. has received your letter dated April 18, 2011 requesting information regarding our market activities related to credit default swaps on State of Illinois General Obligation bonds and Build Illinois Bonds from January 1, 2011 through March 31, 2011.

Below is our response to the 5 questions included in your correspondence.

- Stern Brothers & Co. has not participated in State of Illinois CDS activities within the past 3 months.
- Stern Brothers & Co. has not entered into any proprietary trades for its own account in State of Illinois CDS as of the end of the current 3 month period.
- Stern Brothers & Co. has not participated in State of Illinois CDS activities and therefore does not have any information to disclose in regards to our net position.
- Stern Brothers & Co. has not participated in State of Illinois CDS activities and therefore does not have any information to disclose in regards to time periods.
- Stern Brothers & Co. has not released any research or marketing reports that reference State of Illinois CDS.

Please contact me if you have any questions.

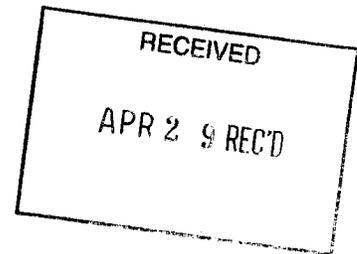
Sincerely,

A handwritten signature in blue ink, appearing to read "Karen Warren".

Karen Warren
Chief Compliance Officer

STIFEL NICOLAUS

April 28, 2011



Mr. John Sinsheimer
Director of Capital Markets
Illinois Governor's Office of Management and Budget
James R. Thompson Center, Suite 15-100
100 West Randolph Street
Chicago, IL 60601

Via Electronic and U.S. Mail Delivery

Dear John:

In response to your letter of April 18, 2011 to Stifel, Nicolaus & Company, Incorporated, this is to advise you that Stifel Nicolaus has not participated in any credit default swap ("CDS") market-making activities related to any State of Illinois bonds, including, but not limited to, the State's General Obligation or Build Illinois bonds, within the past three months. A response to the questions accompanying your letter is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "M. C. Kane".

Mary C. Kane
Senior Vice President—Public Finance

MCK/jas

Attachment

CC: Sophia Ronis, Debt Analyst, Illinois Governor's Office of Management and Budget
Peter J. Czajkowski, Director of Public Finance, Stifel, Nicolaus & Company, Incorporated

STIFEL, NICOLAUS & COMPANY, INCORPORATED

110 ROTTINGHAM COURT, SUITE A | EDWARDSVILLE, ILLINOIS 62025
(618) 659-3780 | (888) 267-7978 TOLL-FREE | (618) 659-3786 FAX | WWW.STIFEL.COM

MEMBER SIPC AND NYSE

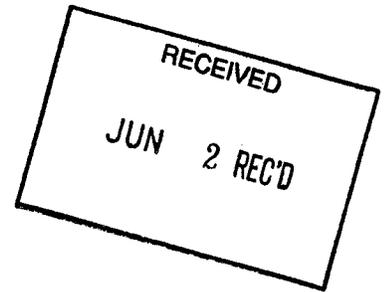
STIFEL, NICOLAUS & COMPANY, INCORPORATED
RESPONSE OF APRIL 28, 2011 TO THE STATE OF ILLINOIS
CREDIT DEFAULT SWAP QUESTIONS OF APRIL 18, 2011

As indicated in our letter dated April 28, 2011 to John Sinsheimer, Director of Capital Markets, State of Illinois, a copy of which is attached to this response, Stifel, Nicolaus & Company, Incorporated (“Stifel Nicolaus”) has not participated in any credit default swap (“CDS”) market-making activities related to any State of Illinois bonds, including, but not limited to, the State’s General Obligation and Build Illinois bonds, during the period January 1, 2011 through March 31, 2011.

1. As stated, Stifel Nicolaus has not participated in credit default swap market-making activities related to State of Illinois CDS’s activities within the past three months.
2. Stifel Nicolaus has not entered into any proprietary trades for its own account in State of Illinois CDS’s within the past three months.
3. Stifel Nicolaus does not nor has not had any gross nor net notational amount of proprietary State of Illinois CDS’s outstanding within the current three-month period.
4. There have been no time periods within the past three months during which Stifel Nicolaus has held net long or net short State of Illinois CDS’s proprietary credit protection positions.
5. Stifel Nicolaus has not released any publicly available research or marketing reports that reference State of Illinois CDS’s within the previous three months.

Ronis, Sophia

From: Richardson, Larry <larry.richardson1@wellsfargo.com>
Sent: Thursday, June 02, 2011 3:58 PM
To: Sinsheimer, John; Ronis, Sophia
Cc: Martin, Scott (CIB Compliance); Chang, Victor [Wells Fargo]
Subject: State of Illinois, First Quarter Credit Default Swaps Inquiry
Attachments: Muni Commentary Wednesday 052511.pdf



Dear Mr. Sinsheimer and Ms. Ronis:

I am writing in response to your letter dated April 18, 2011 in which you request information about Wells Fargo Bank, N.A.'s ("WFBNA") market activities related to State of Illinois ("IL") credit default swaps ("CDS") for the time period noted above. Please note that our response was delayed due to the request letter having been mailed to our former Public Finance office address.

After performing appropriate due diligence around your request, we have not identified any information indicating that WFBNA has participated in CDS market making activities related to any IL CDS in the first quarter of 2011.

The only publicly available research or marketing reports released by WFBNA or by its affiliate, Wells Fargo Securities LLC, that we are aware of that references Illinois CDS is a General Market Municipal Commentary piece that is published by our Municipal Products Group's Credit Strategies team on Wednesday of each week. That piece includes a table listing CDS rates for several states (including State of Illinois) and directional commentary. An example of a recent piece is attached.

I trust this is responsive to your inquiry. Going forward, you may send the quarterly request to me at the address shown below] Please let me know if you have any further questions.

Sincerely,

Larry

Lawrence J. Richardson
Director
Sustainable Public Infrastructure
Wells Fargo Securities
230 West Monroe Street, Suite 2450
Chicago, IL 60606
Tel: (312) 920-3535; Fax: (312) 762-9024
Cell: (312) 320-9086
Email: larry.richardson1@wellsfargo.com

This email is subject to a disclaimer, please click on the following link or cut and paste the link into the address bar of your browser.

<https://www.wellsfargo.com/com/disclaimer/mpg>

General Market Municipal Commentary

Donald Lipkin 212-214-5509 Timothy Olson 212-214-5511

Trader Commentary

- The front end of the curve experienced another quiet session, highlighted by Wells Fargo purchasing the \$122mm Milwaukee, WI competitive deal. Trading has been light all week as traders and accounts wait for the effects of the June reinvestment next week.
- Yields in the intermediate range were unchanged again today. Customer selling and overall trading volume was light. Barring any large move in Treasuries, the slow tone in the market is likely to continue for the rest of this week and into next week.
- In the long end, the day started off very active with several bid wanted lists of long high grade blocks including NY Waters, Mass Schools, King County and NYC TFA. All of the blocks traded at very firm levels. Some bonds went away on customer orders, while other blocks were bid for stock. The latter half of the day was much more uneventful, as trading activity came to a screeching halt. 30 yr MMD was bumped 1bp.

Municipal News

- The most significant month-over-month CDS spread changes occurred in State of California, down 54 bps to 165, State of Illinois, down 43 bps to 157, and Commonwealth of Pennsylvania, down 38 bps to 73. Overall, 5 yr MCDX, which references 50 muni credits, declined 14.7 bps over the past month to 126.8.

AAA MMD	Change					TSY	Ratio	SIFMA
	5/25/11	5/24/11	5/18/11	4/25/11	1d			
2	0.44	0.44	0.44	0.60	0.00	0.54	81.48%	5/25/11 0.18
5	1.23	1.21	1.19	1.60	0.02	1.77	69.49%	5/18/11 0.20
10	2.65	2.65	2.59	2.96	0.00	3.13	64.66%	5/11/11 0.21
15	3.43	3.43	3.41	3.71	0.00	4.28	100.47%	5/4/11 0.23
30	4.30	4.31	4.31	4.68	(0.01)			4/27/11 0.26

Source: Thompson Reuters

Please see page two for disclaimer.

RECEIVED

JUN 2 REC'D
Wednesday, May 25, 2011

New Issues: **Week of 5/23/2011**

Sale Date	Issuer	State	Neg/Comp	Amt (\$mm)	Tax ¹	Rating	Final Maturity	Yield ²	Spread ³
5/24/2011	MASSACHUSETTS	MA	NEGT	489.64	N	Aa1/Aa1/AA+	8/1/2025	3.59	+29
5/24/2011	GESINGER HEALTH	PA	NEGT	100.00	N	Aa2/AA	6/1/2041	5.13	+81.5

Past Issues: **Week of 5/16/2011**

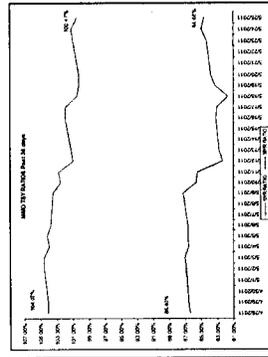
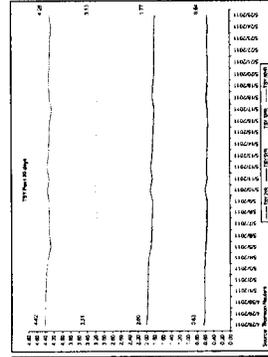
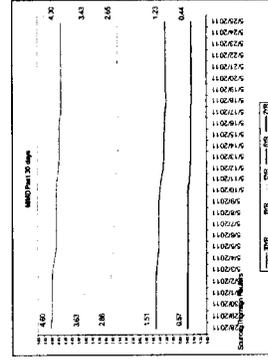
Sale Date	Issuer	State	Neg/Comp	Amt (\$mm)	Tax ¹	Rating	Final Maturity	Yield ²	Spread ³
5/18/2011	AMERICAN MUNI POWER - BABS	OH	NEGT	300.00	N	A3/A1A	2/15/2050	6.27	+198.1
5/17/2011	MIAMI DADE COUNTY	FL	COMP	346.03	N	Aa2/AA-	7/1/2041	5.06	+75
5/17/2011	CONNECTICUT	CT	NEGT	162.87	N	Aa2/Aa1/AA	5/15/2023	3.14	+20

**Highlighted deal indicates WS's Senior Manager

¹ Interest on most municipal bonds is excludable from gross income for Federal income tax purposes, and may be excludable from gross income for state income tax purposes. Interest on certain municipal securities may be subject to the federal alternative minimum tax, or may not be excludable from gross income for Federal income tax purposes. Consult with your tax advisor for your specific tax situation.
² Yield shown is lower of yield to call or maturity.
³ For taxable bonds, spread shown is basis points over Treasuries. For tax-exempt bonds, spread shown is basis points over MMD.

CDS	Change						
	5/23/11	5/23/11	5/17/11	4/25/11	1d	1w	1m
MARGT MCDX.NA.15 Generic	126.82	129.00	124.72	141.50	(2.18)	2.10	(14.68)
State of California	165.74	169.09	168.46	220.60	(3.35)	(2.72)	(54.86)
State of Connecticut	104.00	104.50	104.63	119.40	(0.50)	(0.63)	(15.40)
State of Illinois	157.17	160.07	155.16	200.13	(2.90)	2.01	(42.96)
State of Maryland	62.44	61.94	58.93	75.81	0.50	3.51	(13.37)
Commonwealth of Massachusetts	80.54	82.03	79.90	107.40	(1.49)	0.64	(26.86)
State of Michigan	119.71	119.20	102.31	142.78	0.51	17.40	(29.07)
State of Minnesota	54.40	54.30	53.20	85.50	0.10	1.20	(31.10)
State of Nevada	118.40	118.39	126.40	149.70	0.01	(8.00)	(31.30)
State of New Jersey	125.01	126.06	126.13	146.49	(1.05)	(1.12)	(21.48)
State of New York	88.88	89.73	91.41	100.18	(0.85)	(2.53)	(11.30)
State of North Carolina	57.70	56.60	56.60	85.10	1.10	1.10	(27.40)
State of Ohio	77.53	75.71	71.54	109.00	1.82	5.98	(31.47)
Commonwealth of Pennsylvania	73.40	73.30	75.70	111.80	0.10	(2.30)	(38.40)
State of Texas	56.55	56.08	51.21	76.68	-0.47	5.34	(20.13)
State of Wisconsin	75.20	75.60	77.30	97.40	(0.40)	(2.10)	(22.20)
City of New York NY	109.68	109.01	104.03	137.57	0.67	5.65	(27.89)

Source: Market



Disclaimer

Devised LjKln 212-214-5509 Timothy Ols. n 212-214-5511

RECEIVED

JUN 2 2011

Wednesday, May 25, 2011

WELLS
FARGO

SECURITIES
DEPARTMENT

This report is a product of the Wells Fargo Securities ("WFS") Municipal Trading Desk, and is not a product of the Wells Fargo Securities, LLC ("WFSLLC") Global Research Department. The views of the Market Strategist may differ from that of the Global Research Department. Publications of Wells Fargo Securities, LLC's Global Research Department may be viewed at www.wellsfargo.com/research. This communication is for informational purposes only, is not an offer, solicitation, recommendation or commitment for any transaction or to buy or sell any security or other financial product; and is not intended as investment advice or as a confirmation of any transaction. The information contained herein is (i) derived from sources that WFS in good faith considers reliable, however WFS does not guarantee the accuracy, reliability or completeness of this information and makes no warranty, express or implied, with respect thereto; and (ii) subject to change without notice, and WFS accepts no liability for its use or to update or keep it current. Products shown are subject to change and availability. WFS and/or one or more of its affiliates may provide advice or may from time to time have proprietary positions in, or trade as principal in, securities that may be mentioned herein or other securities issued by issuers reflected herein; or in derivatives related thereto. The author's compensation is based on, among other things, WFS's overall performance, the profitability of WFS's Municipal Products Group and the profitability of the Municipal trading desk. Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Securities, LLC, member NYSE, FINRA and SIPC, and Wells Fargo Bank, National Association. Municipal Derivatives solutions are provided by Wells Fargo Bank, N.A.

This communication is not intended to provide, and must not be relied on for, accounting, legal, regulatory, tax, business, financial or related advice or investment recommendations and does not constitute advice within the meaning of Section 15B of the Securities Exchange Act of 1934. You must consult with your own advisors as to the legal, regulatory, tax, business, financial, investment, and other aspects of this communication. Neither Wells Fargo Securities nor any person providing this communication is acting as a municipal advisor or fiduciary with respect to any transaction described or contemplated therein unless expressly agreed to in a written financial advisory or similar agreement.

William Blair & Company®



April 26, 2011

Mr. John Sinsheimer
Director of Capital Markets
State of Illinois
Office of Management and Budget
James R. Thompson Center
100 West Randolph Street - Suite 15-100
Chicago, IL 60601

Dear Mr. Sinsheimer:

This letter responds to your letter dated April 18, 2011 requesting certain information concerning our firm's activities related to credit default swaps of the State of Illinois General Obligation and Build Illinois programs.

William Blair & Company has never engaged in any market activities related to State of Illinois credit default swaps. The answer is "NONE" to all of the questions contained in the attachment to your letter. We are happy to provide any additional information that you think helpful.

We appreciate the opportunity to assist the State of Illinois with its capital markets needs, and in so doing we always try to align our interests with those of the State.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas E. Lanctot".

Thomas E. Lanctot

TEL:jts

WILLIAM BLAIR & COMPANY, L.L.C.

222 WEST ADAMS STREET CHICAGO, ILLINOIS 60606 312.236.1600 www.williamblair.com