

Transmittal***TR-361*****Number TR-361**

On June 17, 2004, the SEC released to the public through its web site proposed Regulation B, which provides definitions and additional exemptions for bank and thrift brokerage activities for the transaction based exceptions established in Title II of the Gramm-Leach-Bliley Act. In Regulation B, thrifts receive the same exemptions as banks except for three specially created exemptions. Thrifts will not receive the general custody exemption in Exchange Rule 760, the ERISA exemption in Exchange Act Rule 770 or the Proposed Regulation S exemption in Exchange Act Rule 771. Thrifts were not given exemptive relief for these three brokerage activities as the SEC was unable to obtain sufficient information to determine whether thrifts directly engage in the types of securities activities covered by the proposed exemptions. The SEC is soliciting comment on whether thrifts engage in securities activities or transactions that would be covered by the excluded exemptions. The comment period closes on August 2, 2004 although many institutions will be filing a comment letter that asks that the comment period be extended to allow institutions to provide meaningful comments to the SEC on a complicated proposal that will have a significant impact on their activities.

You can link to this document on the SEC Site at: <http://www.sec.gov/rules/proposed/34-49879.htm>