

Edward Jones
Trust Company

August 12, 2002

Regulation Comments, Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552

Re: Notice of Proposed Rulemaking; Recordkeeping and Confirmation
Requirements for Securities Transactions; Fiduciary Powers of
Savings Associations

Dear Sir or Madam:

These comments are submitted to the Office of Thrift Supervision ("OTS") by Edward Jones Trust Company ("EJTC"), a division of Boone National Savings and Loan Association, F.A. ("Boone"), a federally chartered savings and loan association located in Columbia, Missouri. EJTC submits this letter in response to the notice of proposed rulemaking published in the Federal Register on June 11, 2002.¹ These comments relate only to the proposed rules regarding fiduciary powers of savings associations (the "Fiduciary Proposal").

The Fiduciary Proposal codifies several OTS opinions that define the scope of a federal savings association's trust powers by reference to the laws of the state where the association is "located." The Fiduciary Proposal authorizes a federal savings association to "conduct fiduciary activities in the capacity of trustee, executor, administrator, guardian, or in any other fiduciary capacity the State permits for State banks, trust companies, or other corporations that compete with Federal savings associations in the State." The Fiduciary Proposal defines fiduciary activities as: "accepting a fiduciary appointment, executing fiduciary-related documents, providing investment advice for a fee regarding fiduciary assets, or making discretionary decisions regarding investment or distribution of assets." This clear definition of "fiduciary activities" will assist savings associations in confining their "fiduciary activities" to their "location" state, thereby allowing them to conduct trust services by reference to the fiduciary laws of only one state.

The OTS has previously opined that the conduct of marketing or activities ancillary to fiduciary activities in a particular state will not cause an association to be "located" in that state for trust purposes. The Fiduciary Proposal specifically defines activities ancillary to fiduciary business as: "advertising, marketing, or soliciting fiduciary business, contacting existing or potential customers, answering questions and providing information to customers related to their accounts, acting as liaison between the association and its customers (for example, forwarding

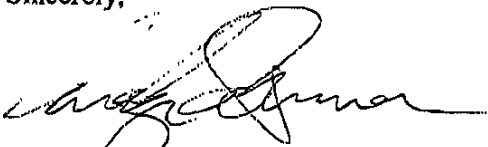
¹ Notice of Proposed Rulemaking: Recordkeeping and Confirmation Requirements for Securities Transactions; Fiduciary Powers of Savings Associations, 67 Fed. Reg. 39886 (June 11, 2002).

requests for distribution, changes in investment objectives, forms or funds received from the customer), and inspecting or maintaining custody of fiduciary assets or holding title to real property." EJTC currently extensively markets outside of its "location" state. We believe the Fiduciary Proposal's definition of ancillary activities is acceptable. This list is an accurate description of the types of activities that are conducted by our marketing representatives outside of our "location" state. This clear definition of ancillary activities produces a regulatory test that will permit federal savings associations to better market trust services outside of their "location" state. The OTS might consider, however, adding a catchall phrase to the end of the definition of ancillary activities in order to provide more flexibility. We suggest "... or services similar in nature to those listed above."

Other than certain specific laws of an association's "location" state, the Fiduciary Proposal will preempt state laws that purport to regulate any aspect of a federal association's fiduciary activities. While the OTS has previously opined on the scope of federal preemption in staff letters, the incorporation of the prior opinions into the proposed regulation, after notice and public comment, will significantly upgrade the sway of OTS's prior opinions, particularly in connection with a state judicial or administrative challenge. The Fiduciary Proposal will make the scope of federal preemption in the area of fiduciary services clear and should benefit federal savings associations by reducing costs incurred in connection with the delivery of ancillary services in a multi-state context.

We appreciate the opportunity to comment in support of the Fiduciary Proposal and look forward to its expeditious implementation in final form.

Sincerely,



Carolyn A. Parmer
 Director, Trust Services