

# THE FINANCIAL SERVICES ROUNDTABLE



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**RICHARD M. WHITING**  
EXECUTIVE DIRECTOR  
AND GENERAL COUNSEL

June 15, 2006

Communications Division  
Public Information Room, Mail Stop 1-5  
Office of the Comptroller of the Currency  
250 E Street, S.W.  
Washington, DC 20219  
Attn: Docket number 06-06

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, N.W.  
Washington, DC 20552  
Attn: No. 2006-20

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal  
Reserve System  
20<sup>th</sup> Street and Constitution Ave., N.W.  
Washington, DC 20551  
Attn: Docket No. OP-1254

Robert E. Feldman  
Executive Secretary  
Federal Deposit Insurance Corp.  
550 17<sup>th</sup> Street, N.W.  
Washington, DC 20429  
Attn: Comments/OES

Ms. Nancy Morris  
Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549  
Attn: File No. S7-08-06

Re: Interagency Statement on Sound Practices Concerning Elevated Risk Complex  
Structured Financial Transactions

Dear Sir or Madam:

The Financial Services Roundtable (“Roundtable”)<sup>1</sup> appreciates this opportunity to submit a written comment on the proposed “Interagency Statement on Sound Practices Concerning Elevated Risk Complex Structured Financial Transactions.” In response to a prior version of this Statement, issued on May 19, 2004, the Roundtable provided input via two separate comment letters on July 19, 2004 and again on October 25, 2005. We are gratified to see that the revised Statement substantially addresses the concerns noted in our prior letters.

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<sup>1</sup> The Financial Services Roundtable represents 100 of the largest integrated financial services companies providing banking, insurance, investment products and services to the American consumer. Roundtable member companies provide fuel for America’s economic engine accounting directly for \$18.3 trillion in managed assets, \$678 billion in revenue, and 2.1 million jobs.

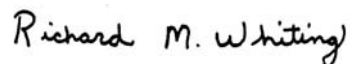
Consistent with the recommendations of the Roundtable and many other commenters, this revised proposal takes a more “principles based” approach to the problems raised by elevated risk complex structured financial transactions. At the same time, it provides important guidance to the financial services industry with respect to these transactions. The Statement highlights the necessity of establishing a framework of policies and procedures within each financial institution to assure the implementation of appropriate controls and safeguards in connection with the institutions’ participation in these types of transactions.

We especially applaud the Agencies’ recognition that each institution should design and tailor its own policies and procedures to effect these goals. This recognition of the unique set of circumstances within each institution avoids the “one size fits all” approach that fails to recognize important differences among financial institutions, the transactions in which they engage, and the roles that they play in those transactions. We also appreciate that the Statement acknowledges that many complex structured financial transactions are not “high risk” nor do they raise “red flags” and, therefore, need not be subject to the same scrutiny as the more elevated risk transactions.

Equally important, the revised Statement explicitly acknowledges that it does not create a private right of action, nor does it alter or expand the legal duties or obligations undertaken by the institution on behalf of customers, shareholders or third parties. In so doing and by recognizing that “one size does not fit all,” the Statement does not create an industry-wide “standard of care” that would fail to recognize the unique facts and circumstances of each transaction or the highly varied institutions engaged therein.

In conclusion and for the foregoing reasons, the Roundtable supports the issuance of the Interagency Statement and encourages the agencies to move forward expeditiously. If you have any questions, please feel free to contact me at (202) 289-4322.

Sincerely,

A handwritten signature in cursive script that reads "Richard M. Whiting".

Richard M. Whiting  
Executive Director and General Counsel.

