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**Comptroller of the Currency  
Administrator of National Banks**

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Washington, DC 20219

**Corporate Decision #97-07  
February 1997**

January 29, 1997

Mr. Michael E. Bleier  
General Counsel  
Mellon Bank, N.A.  
One Mellon Bank Center  
Pittsburgh, PA 15258-0001

Re: Mellon Bank, N.A., Greensburg, PA (“Bank”) -- Request for Modification of a Voluntary Commitment Restricting Purchases of Mutual Fund Shares by Mellon Bank Corporation (“MBC”) (OCC Control Number: 97-WO-12-0006)

Dear Mr. Bleier:

This letter is in response to your request dated January 8, 1997, seeking a modification or clarification by the Office of the Comptroller of the Currency (“OCC”) of a voluntary commitment made as part of the Bank’s acquisition of The Dreyfus Corporation as approved by OCC letter dated May 4, 1994.<sup>1</sup> As part of the Mellon/Dreyfus transaction, the Bank represented that it would voluntarily adopt a “Policy Statement on Mutual Funds” to build upon the Bank’s existing comprehensive policies governing sales of nondeposit investment products. The OCC conditioned its approval on compliance by the Bank and its subsidiaries with the Policy Statement. The Bank represented that it would not make any changes in the Policy Statement without prior notice to the OCC and the Federal Reserve Board.

The Bank’s voluntary commitment contained in Section V.C. of the Policy Statement prevents MBC, the Bank, or the Bank’s subsidiaries, from purchasing or selling any portfolio securities for or from its own account, from or to a mutual fund advised by the Bank or its subsidiaries.<sup>2</sup> You have asked for relief for MBC from this commitment. The condition imposed in the OCC’s approval letter states that “[t]he Bank and the Subsidiaries must comply with each of the voluntary commitments contained in the Bank’s Policy Statement on

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<sup>1</sup> Interpretive Letter No. 648 (May 4, 1994), *reprinted in* (CCH) Fed. Banking L. Rep. ¶ 83,557.

<sup>2</sup> Section V.C. of the Policy Statement provides: “No Mellon Company will purchase any portfolio securities for its own account from, or sell any portfolio securities from its own account to, a Mellon-Advised Fund.” “Mellon Company” includes Mellon Bank Corporation, its bank subsidiaries, and its other subsidiaries. “Mellon-Advised Funds” includes mutual funds for which Mellon Companies provide advisory services.

Mutual Funds.” While the terms of the Policy Statement subject MBC to these restrictions, the OCC did not condition its approval on compliance by MBC with the restrictions. The Federal Reserve Board is the primary regulator for the holding company.

Accordingly, the OCC clarifies that it does not intend to impose any restrictions on purchases and sales by MBC of Mellon-advised mutual funds pursuant to the voluntary commitment contained in Section V.C. of the Policy Statement. MBC and its subsidiaries remain subject to the existing regulatory scheme on bank holding companies and must comply with any applicable requirements.

If you should you have any questions concerning this matter, please feel free to contact Suzette Greco, Senior Attorney, Securities and Corporate Practices Division at (202) 874-5210) or Robert Norris, National Bank Examiner, Bank Organization and Structure (202) 874-5060.

Sincerely,

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Julie L. Williams  
Chief Counsel