

ORIGINAL



Mellon Financial Corporation

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General Counsel

July 26, 2004

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

Mr. Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 5<sup>th</sup> Street, N.W.  
Washington, DC 20549-0609

Office of the Comptroller of the  
Currency  
250 E. Street, S.W.  
Mail Stop 1-5  
Washington, DC 20219

Federal Trade Commission  
Office of the Secretary  
Room H-159 (Annex Q)  
600 Pennsylvania Avenue, N.W.  
Washington, DC 20580

**RE:** FACT Act Affiliate Marketing Rule  
F.T.C. Matter No. R411006  
O.C.C. Docket No. 04-16  
F.R.B. Docket No. R-1203  
S.E.C. File Number S7-29-04

Dear Sirs and Madams:

Mellon Financial Corporation, Pittsburgh, Pennsylvania, appreciates the opportunity to comment on these proposed regulations. We think that the various agencies involved have done an excellent job of bringing order to a complex statutory scheme. Our only concern relates to the definition of "affiliate." This definition is extremely significant to large, diversified financial institutions, because it profoundly affects the flow of information between affiliated legal entities that are jointly involved in providing products and services to customers.

It is important to understand that financial service enterprises often consist of large numbers of separate corporate entities, for a wide variety of reasons. The reasons may be legal, regulatory, historical, or tax-related, among others. But lines of business are often incongruent with legal structures. Functional business areas frequently cross the boundaries between corporate entities. Many financial products and services could not be offered without the involvement of multiple legal entities. Furthermore, customers generally understand themselves to be dealing with the functional business area, and tend to

