

Michael M. O'Brien
Senior Vice President
Senior Trust Officer

26

July 13, 2004

57-20-04

Mr. Jonathan G. Katz
Secretary
Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549

Re: Thrift Institutions Deemed not to be Investment Advisors 69FR25778
File #57-20-04

Gentlemen:

You have asked for comments on the above-mentioned proposal. OceanFirst Bank is a federally chartered thrift, which has trust powers granted to it by the Office of Thrift Supervision. OceanFirst is a community bank located in Toms River, NJ with trust assets under \$100 million.

In my capacity as the Senior Trust Officer at OceanFirst Bank, I strongly support full parity for savings institutions with banks under the Investment Advisors Act. Parity will insure that small trust competitors such as OceanFirst will comply with the same basic regulatory requirements as banks when they engage in identical trust and investment management activities.

The adoption of the proposal, in my view, places community thrifts in a competitive disadvantage and does little to increase the public's interest and protect investors.

OceanFirst, like all OTS regulated Trust Departments, is required to have extensive policies and procedures in place. All OceanFirst trust clients are treated as "fiduciary clients" and thus are subject to the fiduciary statutes of (in our case) New Jersey. OceanFirst Trust clients are not sold internal proprietary investment assets. We do not deal in initial public offerings. All equity and bond trades are placed through nationally known SEC regulated brokerage firms that are unrelated to OceanFirst Bank.

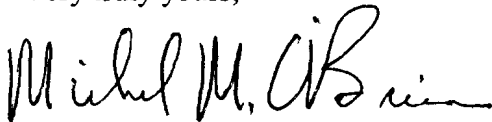
I do not believe that there is a community thrift trust department in the United States that will benefit from your proposed exemption.

A broader exemption that would create parity between community banks and community thrifts would be more equitable.

OceanFirst understands the SEC's goal to protect investors. It is our contention that clients, both trust beneficiaries and investment management clients, are adequately protected by state fiduciary law, internal policies, external audit, outside legal counsel and an annual examination by the OTS.

We ask that the SEC develop a regulation that satisfies its goals while allowing community thrifts to compete without additional and unnecessary regulatory burden.

Very truly yours,

Handwritten signature of Michael M. Capria in black ink.

MMO/kap

cc: Honorable Jon S. Corzine, U.S. Senate
Honorable Frank Lautenberg, U.S. Senate
Honorable H. James Saxton, U.S. House of Representatives