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FIRST Commonwealth

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20

Catherine McGuire
Chief Counsel
Division of Market Regulation
US Securities and Exchange Commission
Washington DC 20549

July 20, 2004

Re: GLB Final Push-out Rules Comment Period

Dear Ms. McGuire and Staff:

I represent First Commonwealth Trust Company headquartered in Indiana, Pennsylvania. We are $1.3 billion in assets with approximately 75% of those assets held in traditional fiduciary account capacities with the remaining 25% held in conjunction with municipal financing arrangements (bond trusteeships, paying agencies and construction fund depositories, etc.) I attended the recent seminar that the SEC participated in that was sponsored by the Morin Center for Banking and Financial Law of Boston University's School of Law. I wanted to offer some comments about our specific experiences and some of the aspects of the rules and exceptions.

We derive the vast majority of our income from the traditional trust related activities. The bulk of that compensation is based upon market value and compensates us for the investment management and administration of accounts. However, in addition to our market value charges, we also have arrangements that take a percentage of income generated. These are primarily guardianship and Powers of Attorney accounts. We utilize this method because these accounts have smaller sizes that would not provide adequate compensate us based upon market value. We derive a much smaller amount from securities' transaction charges. We charge this type of fee to safekeeping accounts and are designed to recover the cost of security movements charged by our principal safekeeper – the Bank of New York. We also derive a percentage of our income from the 12 b1 fees associated with the underlying mutual funds that we invest in for full discretion accounts. Overall, I believe that we would substantially satisfy your exemptive rule limiting transaction income to be 11% or less of overall compensation.

Of considerable concern to my business and me is the way you view safekeeping accounts. We have opened safekeeping accounts with our clients as a way of holding collateral for lending activity, accommodating larger deposit clients, have a related trust/fiduciary relationship, or generally holding things that our clients direct that can't be accommodated by a broker. We currently maintain approximately $56.5 million in safekeeping accounts that have a transactional charge associated with the account along with a base, flat or market value charge. The purpose of the transaction charge has been to offset the expenses that we incur in dealing with a third party

custodian. We typically deal with the Bank of New York for our trust safekeeping. We have utilized the Bank of New York as our principal custodian for our trust assets since we are too small to consider direct participation with DTC. As such, we are considered an indirect participant with DTC. Our transaction charges are designed to cover the cost of movement of securities into and out of the custodian (Bank of NY). Is it possible to at least consider permitting an ongoing transaction fee that is designed to offset the charges of your underlying custodian? This would permit us to accommodate clients. Believe me when I say that we do not solicit this type of business. However, we will accommodate clients whenever possible.

A significant amount of our fiduciary business has historically come from areas such as: estate settlement, guardianship (minors AND incompetents), and escrow type accounts. These should all be included in any definition of fiduciary or trust accounts.

A final area of concern is the overall view of Custodial IRA's. We have several accounts that have come to us because we are able to do some things that brokers are unable or unwilling to do. In several large IRA's, we administer mortgages and loans (not considered prohibited transactions). We run amortization tables, bill for payments, collect and post payments and generally see that the mortgages and the underlying insurances and taxes are appropriate and current. If the view that you expressed in your announcement in late June is held, we could not accommodate significant banking relationships in this fashion. I believe that rather than blanket prohibitions of such custodial IRA's in a fiduciary setting, you should consider the underlying nature of the assets in finding a way to continue to open and service these special accounts.

Should you require additional information regarding our fiduciary operation, I would be happy to provide it. I hope that you give added consideration to the circumstances outlined herein.

Regards,

William A. Mrozowski
President and CEO

Cc: Eugene Maloney