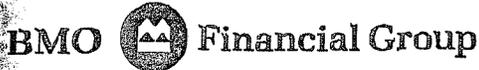


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July 16th, 2004

Ms. Jennifer J. Johnson
Secretary
BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM
20th Street and Constitution Avenue, NW
Washington, DC 20551

Mr. Robert D. Feldman
Executive Secretary
FEDERAL DEPOSIT INSURANCE
CORPORATION
550 17th Street, NW
Washington, DC 20429
Attention: Comments/OES

Public Reference Room
Mail Stop 1-5
OFFICE OF THE COMPTROLLER
OF THE CURRENCY
250 E Street, SW
Washington, DC 20219

Mr. Johnathan G. Katz
Secretary
SECURITIES AND EXCHANGE
COMMISSION
450 Fifth Street, NW
Washington, DC 20549-0609

Regulation Comments
Chief Counsel's Office
OFFICE OF THRIFT SUPERVISION
1700 G Street, NW
Washington, DC 20552
Attention: No. 2004-27

Dear Sir or Madam:

**Re: Proposed Interagency Statement on Sound Practices Regarding
Complex Structured Finance Activities
Federal Reserve Board Docket No. OP-1189;
Office of the Comptroller of the Currency Docket No. 04-12;
Office of Thrift Supervision File No. 2004-27;
Securities and Exchange Commission File No. S7-22-04**

I am writing on behalf of the BMO Financial Group to offer the organization's comments on the proposed Interagency Statement on Sound Practices Concerning Complex Structured Finance Activities (the "Interagency Statement") which was released for comment on May 13, 2004. We appreciate the opportunity to comment on the development of this joint regulatory initiative.

BMO Financial Group has consistently maintained a strong commitment to corporate governance and ethical conduct in our relations with clients, counterparties, the capital markets and the broader public. Accordingly, we are supportive of initiatives which enhance this commitment.

We offer the following comments in order to ensure that the Interagency Statement fulfils its intended goal while ensuring that unintended collateral effects on the industry are minimized.

First, the appropriate reputational and legal risk analysis for any given transaction, is dependant on the nature of the transaction, the nature of the client and the nature of the financial institution. As the statement currently reads, it could be interpreted as a minimum standard for all transactions. To address this, we respectfully suggest that the Interagency Statement contain an acknowledgement that the Interagency Statement is a guideline for the review of complex structured financings and that the exact response to any particular transaction is dependant on that transaction's circumstances, which may lead to a review which is either more or less onerous than that contemplated by the Interagency Statement.

Moreover, we suggest that the Interagency Statement make clear that the presence of one or more characteristics of a transaction which in some circumstances might suggest additional scrutiny, may not require the additional scrutiny in the particular case because though they appear complex, the transactions are routine and well established structured financings.

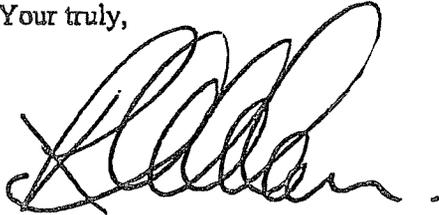
Second, with respect to new product approvals, the Interagency Statement states that "it is imperative that the institution's policies require that new products receive the approval of all relevant control areas that are independent of the profit centre before the product is offered to customers". (pg. 18). In addition, with respect to reputation and legal risk review, the Interagency Statement states "in general, the financial institution's legal department should review complex structured finance transactions as part of the approval process" (pg. 19). We respectfully suggest, "approval" should be clarified so that it does not impose a role that exceeds the provision of legal advice to the organization nor has the effect of imposing a gatekeeper role on the control group. Any approval of a risk decision should be made by the senior business executives.

Third, we interpret the intent of the Interagency Statement as to ensure that financial institutions remain alert to and consider issues of reputational and legal risk when conducting their affairs, as opposed to imposing a duty on financial institutions to scrutinize the practices of clients or counterparties. We respectfully suggest that the Interagency Statement should contain a clear statement that the intent of the statement is to suggest risk management guidelines for practices

that a financial institution could consider in determining its involvement with a transaction and not to imply a legal standard or duty.

Thank you for providing us with the opportunity to comment of the proposed Interagency Statement. We would be pleased to elaborate on these comments if so requested.

Your truly,

A handwritten signature in black ink, appearing to be "L. Allen", written in a cursive style.