

SCHWARTZ & BALLELLP

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MEMORANDUM

November 9, 2004

To Our Clients and Friends

Re: Annual Report By National Banks On Operating Subsidiaries

The Comptroller of the Currency (“OCC”) has issued a final rule requiring national banks to file annual reports identifying their operating subsidiaries.¹ The information in the reports will be available on the OCC’s website, which, in the OCC’s view, will assist consumers to identify companies that are national bank operating subsidiaries. The final rule is effective December 6, 2004.

The rule requires national banks to file an annual report with the OCC containing information about their operating subsidiaries that are not functionally regulated by other regulators and that do business directly with consumers. Information required by the annual report includes:

- the name (including any “dba” or trade names), mailing address, e-mail address and telephone number of each operating subsidiary
- the principal place of business of each operating subsidiary, and
- the line of business in which each operating subsidiary is engaged as designated by the appropriate code in the North American Industry Classification System (NAICS)

The annual report is to contain information as of December 31st and is to be filed by January 31st of the following year. The first annual report must be submitted to the OCC by January 31, 2005.

A copy of the final rule can be found on our web site at http://www.schwartzandballen.com/whats_new.html.

If you have any questions, please call Gilbert Schwartz, Robert Ballen or Tom Fox at (202) 776-0700.

¹ Operating subsidiaries are permitted to conduct only activities that are permissible for the parent national bank.