OCC Responds to Chairman Leach’s Questions
About Bank Holdings of Securities for Hedge Purposes

WASHINGTON -- Comptroller of the Currency John D. Hawke, Jr. sent the attached letter to House Banking Committee Chairman James A. Leach responding to questions about an OCC determination concerning bank holdings of securities for the purpose of hedging customer-driven, bank permissible equity derivative transactions. The letter notes that these carefully limited transactions have no implications at all for bank involvement in merchant banking or for breaching the wall between banking and commerce.

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