



WILMINGTON
TRUST

Release # 34-49879

File # S7-26-04

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, DE 19890-0001

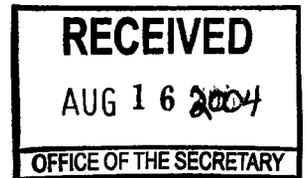
22

August 12, 2004

Via Federal Express

Catherine McGuire
Associate Director and Chief Counsel
Division of Market Regulation
U.S. Securities and Exchange Commission
450 5th Street, NW
Washington, D.C. 20549-0609

Re: Wilmington Trust FSB; Discussions with respect to Release No. 34-49879
(File No. S7-26-04); Proposed Regulation B



Dear Ms. McGuire:

I would like to thank you for the time that you and your staff took to discuss the extension of the safekeeping and custody exemption ("custody exemption") to thrifts. This letter is a follow-up to our telephone call last month.

Our discussion centered on the impact of excluding our thrift from the custody exemption, including the disruption in the normal flow of business for our clients and the material impact to the thrift's operational and client records systems. Wilmington Trust FSB ("WTFSB") is a chartered thrift and is supervised by the Office of Thrift Supervision ("OTS"). WTFSB has provided custody services to clients since its inception in 1994.

We would like to reiterate that except for the limitation on the amount of commercial loans that a thrift may extend, there is no significant difference between a thrift and a bank such as Wilmington Trust Company, another one of our wholly-owned subsidiaries. Thrifts, like banks, provide banking and fiduciary services, including custody services. Although a thrift may elect not to provide custody services to its clients, such an election has been driven by the business plan of the thrift rather than any regulatory prohibition. Simply stated, there is no reason for the Commission to distinguish between thrifts and banks for the custody exemption.

WTFSB is our strategic platform for interstate business activities. WTFSB has offices in California, Florida, Georgia, Maryland, New York and Nevada from which we provide traditional banking and fiduciary services. While our banking services are concentrated in the Middle Atlantic region, WTFSB provides a wide range of fiduciary and investment services, including custody, in all of the geographic areas in which it is located.

Custody services are an integral component of wealth management plans for high-net-worth individuals and families. WTFSB also provides custody services to institutional clients as part of its package of services for corporate entities. As of March 31, 2004, WTFSB had 437 custody accounts holding assets with a market value of \$1,003,834,000. As discussed, WTFSB

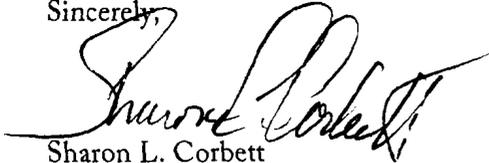
Ms. Catherine McGuire
August 12, 2004
Page Two

employees do not receive incentive compensation or commissions for securities transactions in custody accounts.

We urge the Commission to recognize our current business practices and extend the custody exemption to thrifts. In the alternative we would request that the Commission establish a no-action or other exemptive process so that thrifts currently offering custody services may continue to do so for existing clients and qualified investors.

We appreciate the time you and your staff have taken to discuss the extension of the custody exemption to existing clients and qualified investors who maintain custody accounts with Wilmington Trust FSB. If there is additional information that we can provide with respect to our current custody and safekeeping services please do not hesitate to contact me.

Sincerely,



Sharon L. Corbett
Compliance Counsel
Legal Department
Phone: (302)651-8378
Fax: (302)651-8010
Email: scorbett@wilmingtontrust.com

SLC/kt

cc: Michael A. DiGregorio, General Counsel, Wilmington Trust Company