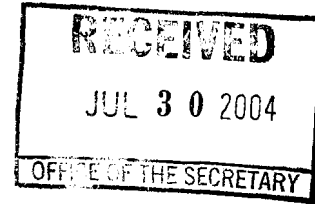


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July 23, 2004

Mr. Jonathan G. Katz, Secretary  
Securities and Exchange Commission  
450 Fifth Street, N.W.  
Washington, DC 20549-0609



**RE: 17CFR Parts 240 and 242; Regulation B**

Dear Mr. Katz:

The Western Federal Credit Union, which is a one billion dollar financial institution with 125,000 members, appreciates the opportunity of commenting on the proposed Regulation B, of the Securities and Exchange Commission.

In the interim final rules issued by the SEC in 2001 an exemption from the definitions of "broker" and "dealer" for banks was proposed. Credit Unions were not considered "banks" under the Exchange Act of 1934 and therefore were not subject to the Act's exemption from the definitions of broker and dealer.

Based upon comments received, the SEC is proposing under the new Regulation B that certain exemptions should be extended to credit unions. These exemptions represent: networking (third-party brokerage arrangements) sweep accounts; and trust and fiduciary activities.

This Credit Union supports the extension of these exemptions to credit unions.

The providing of "securities services" to its membership is a logical extension of financial services to its members. While credit unions do not generally engage in safekeeping and custody activities, it is also our recommendation that such services be exempted under the proposed Regulation B.

Thank you for the opportunity of extending our comments.

Sincerely,

WESTERN FEDERAL CREDIT UNION

A handwritten signature in black ink that reads "Donald R. Klesges".

Donald R. Klesges  
Executive Vice President

DRK:sdc

cc: NAFCU