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A BANKS, INC.

ONE FIRST VIRGINIA PLAZA
6400 ARLINGTON BOULEVARD - SUITE 420
FALLS CHURCH, VIRGINIA 22042-2336
703 241-4485

RECEIVED
SEP 4 1987
OFFICE OF CHIEF COUNSEL
CORPORATION FINANCE

LAW DEPARTMENT

Thomas P. Jennings, General Counsel
Christopher M. Cok, Assistant General Counsel
Kathleen A. Kordak, Assistant Counsel
Thomas M. Hennessy, Assistant Counsel

September 1, 1987

PUBLIC AVAILABILITY DATE: 12-21-87

ACT	SECTION	RULE
1933	---	132
1933	3(a)(2)	---
1934	3(a)(12)	3a12- 6
1934	12(g)	---
1934	12(h)	12h- 1

Mr. John Murphy
Branch 1, Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street
Washington, D. C. 20549

Dear Mr. Murphy:

I am writing on behalf of First Virginia Banks, Inc. ("First Virginia"), a regional bank holding company located in Fairfax, Virginia. First Virginia is a bank holding company registered with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 and is incorporated in the State of Virginia. First Virginia currently has 20 subsidiary banks, all of which are incorporated under state law and all of which are members of the Federal Reserve. Two of these banks are located in Maryland and another is located in Tennessee. The subsidiary banks owned by First Virginia are referred to collectively herein as the "Member Banks." All the Member Banks are members of an "affiliated group" as that term is defined in Section 1504(a) of the Internal Revenue Code of 1954 as amended (the "Code").

First Virginia Bank, First Virginia's lead bank located in Northern Virginia, operates common and collective trust funds for the collective investment and reinvestment of funds held in its fiduciary capacity. We hereby request your confirmation that the staff of the Division of Corporation Finance will not recommend that the Securities and Exchange Commission take any enforcement action if First Virginia and its subsidiaries conduct the activities described below without effecting any registration under the Securities Act of 1933 (the "Securities Act"), the Securities Exchange Act of 1934 (the "Exchange Act") and the Investment Company Act of 1940 (the "Investment Company Act").

Mr. John Murphy
Securities and Exchange Commission

FACTS

The Trust Department of First Virginia Bank currently maintains common trust funds for the collective investment of assets which it holds in its capacity as trustee, executor, administrator or guardian of personal fiduciary accounts and as trustee of certain employee benefit trusts. In order to qualify for tax exemption under Section 584 of the Code, the common trust funds maintained by First Virginia Bank are maintained in conformity with the rules and regulations of the Comptroller of the Currency and Virginia law.

In order to achieve certain operational efficiencies and economies of scale, to assure the availability throughout the Member Bank system of high quality investment management service, and to make available greater opportunities for diversification of trust assets, First Virginia would like for its out-of-state Member Banks to participate in the common trust funds maintained by its lead bank, First Virginia Bank. Under this system, any Member Bank whether it was a Virginia bank or an out-of-state bank would be able to invest assets which it holds in its capacity as trustee, executor, administrator or guardian or as trustee of employee benefit plans in the common trust funds maintained by First Virginia Bank. Under this system, First Virginia Bank's common trust funds would be operated in compliance with all of the state laws that apply if the common trust funds were maintained in the states (e.g., Tennessee, Maryland or Virginia) where the contributing Member Bank was located. The rights of the beneficiaries of the contributing Member Bank's fiduciary accounts would not be diminished by reason of such investment. The fees charged for services in the management of this interbank system would be no greater than those permitted by the governing instrument and applicable state and federal laws and regulations. The records maintained by First Virginia Bank and the contributing Member Bank would reflect the participation in each common trust fund of all trusts and other accounts which participate in such fund. The contributing Member Bank would adhere to the various reporting requirements and percentage limitations on participations for the common trust funds as required by the regulations of the Comptroller of the Currency.

Mr. John Murphy
Securities and Exchange Commission

REQUEST FOR COMMISSION ACTION

Based upon the foregoing facts, and upon prior no-action positions taken by the staff of the Commission, in particular in Sun Trust Banks, Inc. (available June 18, 1986), we request that the staff of the Commission confirm that: (1) participations in First Virginia Bank's common or collective trust funds by other Member Banks on an interstate basis can be done without registration under the Securities Act by virtue of exemption provided by Section 3(a)(2) of such Act and Rule 132 thereunder; (2) participations in First Virginia Bank's common or collected trust funds by other Member Banks on an interstate basis will be exempt from registration under the Securities Exchange Act by virtue of exemptions provided by Sections 3(a)(12) and 12h-1(b) thereunder; and (3) the common trust and collective funds of First Virginia Bank may exist and operate without registration under the Investment Company Act by virtue of the exemptions provided by Sections 3(c)(3) and 3(c)(11) of such Act and Rule 3(c)-4 thereunder.

In Sun Trust Banks, Inc., the staff of the Commission took a no-action position under the exemptions referred to above with respect to an interstate common trust fund system implemented and operated by a multi-state bank holding company. We therefore request that you give us a similar exemption with respect to the interstate common trust fund system we wish to establish.

As required by Securities Act Release No. 6269, seven copies of this letter are enclosed herewith. By a separate letter, we have simultaneously requested that the Division of Investment Management confirm that it will not recommend that the Commission take any enforcement action if First Virginia Banks, Inc. or its subsidiaries conducts the activities described herein. A copy of that letter is enclosed as an attachment.

Very truly yours,

Christopher M. Cole

Christopher M. Cole

CMC:slh

November 19, 1987

**RESPONSE OF THE OFFICE OF CHIEF COUNSEL
DIVISION OF CORPORATION FINANCE**

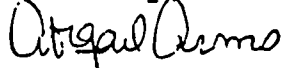
Re: First Virginia Banks, Inc.
Incoming letter dated September 1, 1987

On the basis of the facts presented, the Division of Corporation Finance will not recommend any enforcement action to the Commission if First Virginia Banks, Inc., in reliance upon your opinion as counsel that participations in a maintaining Bank's common or collective trust funds are exempt from registration under the Securities Act of 1933 (the "Securities Act") by virtue of the exemptions provided by Section 3(a)(2) of the Act and Rule 132 thereunder, and also from registration under the Securities Exchange Act of 1934 (the "Exchange Act") by virtue of the exemptions provided by Sections 3(a)(12) and 12(g)(2)(H) of the Exchange Act and Rules 3a12-6 and 12h-1(b) thereunder, implements and operates the common and collective trust funds as proposed without registration of the interests therein under the Securities Act or the Exchange Act.

In addition, we understand that the Division of Investment Management has already contacted you concerning the issues you raised under the Investment Company Act of 1940.

Because these positions are based upon the representations made to the Division in your letter as supplemented by your telephone conversation with a staff member in which you stated that the common and collective trust funds would not be commingled, it should be noted that any different facts or conditions might require a different conclusion or conclusions. Further, this response only expresses the Division's positions on enforcement action and does not purport to express any legal conclusion on the questions presented.

Sincerely,


Abigail Arms
Attorney Adviser