

FIRST WACHOVIA CORPORATION
WINSTON-SALEM, NORTH CAROLINA 27150

JOHN G. MEDLIN, JR.
CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

July 19, 1989

The President
The White House
Washington, DC 20500

Dear Mr. President:

It is heartening to see the speculation in recent media reports about Richard Breeden being a possible candidate for Chairman of the Securities and Exchange Commission. I believe he would be an excellent choice for that important position.

My acquaintance with Richard goes back to the time earlier in this decade when he served as Chief of Staff for your Task Force on Financial Reform. I had frequent contact with him during that assignment and was most impressed with his sound philosophies and administrative skills. Had your and his advice been heeded, the depository system would be healthier today.

Recently, I have talked with Richard as he helped shape and advance your proposal to rescue and reform the thrift system. In this challenging effort, he has displayed unusual wisdom, vision, and courage in designing and selling a depository institutions plan for the nation which is governed more by market disciplines and underpinned better by private capital.

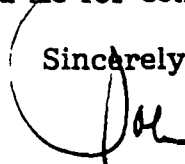
The philosophical principles and administrative capabilities Richard has displayed in these assignments are convincing evidence of his qualifications to be an effective Chairman of the Securities and Exchange Commission. I urge you to consider seriously giving him the opportunity for further service to you and the nation in that position which is so critical to the proper assimilation and distribution of the capital needed for growth and progress on a domestic and global scale.

I congratulate you on the highly successful Eastern European trip and economic summit meeting just completed. It is another impressive step in advancing your sensible and visionary strategies for peace and prosperity at home and abroad.

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Please call whenever I can help. You have respectful and grateful good wishes from Polly and me for continued success.

Sincerely,

A handwritten signature in dark ink, appearing to be "JGM", is written over a circular stamp or mark.

John G. Medlin, Jr.

cc: The Honorable Nicholas Brady
The Honorable John Sununu