

February 17, 2009

Mr. Graham Messick
Producer, 60 Minutes

Dear Graham:

I was troubled by the *60 Minutes* show regarding World Savings featuring a disgruntled former employee Mr. Paul Bishop. The presentation was shallow and narrow in scope from Mr. Bishop's fact less perspective.

As a former employee of World Savings from 1993 to 2008, who started at the bottom as an associate staff appraiser and worked my way up through various departments to Senior Vice President of Loan Administration I saw and experienced a completely different company. World Savings was truly a highly ethical, well managed, and respected Company in the financial services industry known for its basic savings and loan business model of high level customer service and absolute quality assets.

In the Appraisal Department we spent extensive hours and dollars training our appraisers on sound appraisal techniques and practices to ensure that each value derived was the correct market value. I can't tell you how many van "property tours" I've participated in or put together over the years as we reviewed and re-reviewed appraisals for accuracy and loan decisions to ensure that the right decisions were made from an appraisal and underwriting perspective. As a Region Appraisal Manager I developed the campaign of QMP "Quality Motivated Producers" for my appraisers to instill the importance of balancing production with quality and quality being the motivating factor in all that we did.

I carried the same campaign with me as I became a Division Loan Operations Manager with retail and wholesale representatives under my direction. Our goal was to fund quality loans for our portfolio. Did we have sales goals...of course as do all good sales organizations, but not at the expense of sacrificing quality. I was also evaluated on the quality of loans funded and their performance in our portfolio. We experienced similar funding to application ratios quoted by Mr. Sandler of 55% to 60%.

As Loan Administration Manager in our corporate headquarters in Oakland, CA I found an unwavering commitment to quality by all senior executives confirming a consistent message from the top to the bottom and vice versa. We spent considerable time analyzing quality metrics and portfolio performance.

One last note. As a homeowner I have had a World Savings true monthly adjustable rate mortgage (ARM) since 1996 when we bought our first house. I have had the Pick-A-Payment ARM since 2004 when we moved to California. The payment options allowed me to pay down my second mortgage and now to manage my cash flow as I'm "in transition".

Therefore, please don't associate the World Pick-A-Payment loan with the downfall of the real estate market as not all loan products or companies are equal. An unprecedented decline of 50%

or greater in home values is no respecter of loan products. The fact that unemployment rates are at decade high levels is the reason behind the increased non-performing assets of the GDW portfolio not because of the loan product as the history of the portfolio shows its resiliency in “normal” economic cycles. This cycle is not “normal”.

Sincerely,
James N. Reeve