

# CONTROLLER STEVE WESTLY

## STATE OF CALIFORNIA

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## Westly Wants Bank Deal to Keep CA Jobs, Investments

**SACRAMENTO** – Controller Steve Westly today called on Wachovia Corporation to maintain Golden West Financial Corporation’s Oakland headquarters and community investments after it completes its acquisition of the company, the nation’s second-largest savings and loan.

“Maintaining Golden West’s headquarters in Oakland and establishing key members of your management team in the Bay Area will underscore your commitment to the California market,” Westly wrote in a letter to Wachovia’s CEO. “I intend to follow the progress of the merger closely, with particular focus on executive compensation and community investment. Wachovia’s first large foray into California should work for shareholders and the communities in which it will operate.”

Wachovia announced its \$25.5 billion acquisition plan for Golden West on May 7. The deal includes 123 World Savings Bank branches in California.

Westly has played a key role in leading CalPERS and CalSTRS, the nation’s two largest public pension funds, to take action against excessive payouts to executives. He recently supported CalPERS opposition to a \$300 million executive compensation deal tied to the PacifiCare and UnitedHealthcare merger.

Westly has also led the funds to commit \$4.8 billion to investing in underserved communities.

“We need to work together to ensure all California communities have access to capital and success,” Westly said. “Investments in underserved communities expand opportunities for jobs and home ownership and give investors an opportunity for great returns.”

Please see the [letter to Wachovia](#).

May 24, 2006

Mr. G. Kennedy Thompson  
Chairman and Chief Executive Officer  
Wachovia Corp.  
301 South College Street  
Charlotte, NC 28288-0013

**Re: Acquisition of Golden West Financial Corporation**

Dear Mr. Thompson:

As California's chief financial officer and board member of the country's two largest pension funds, CalPERS and CalSTRS, I am very interested in Wachovia's recent agreement to acquire Golden West Financial Corporation. I intend to follow the progress of the merger closely, with particular focus on executive compensation and community investment.

Golden West Financial is headquartered in Oakland, California and for years has invested actively in its community. Your company also has a history of investing in underserved communities, as indicated in Wachovia's recent response to my survey on community investment among financial institutions. A recent Wachovia publication indicates that in 2005 your company issued \$130 million to Californians for affordable mortgage loans as well as \$18 million in low-income tax credits investments. Additionally, you granted \$84 million in loans to California small businesses.

As you move forward with the merger of Wachovia and Golden West, I urge you to keep a strong presence in California. Maintaining Golden West's headquarters in Oakland and establishing key members of your management team in the Bay Area will underscore your commitment to the California market. I also encourage you to use this opportunity to reaffirm your commitment to the Community Reinvestment Act with an investment commensurate with the terms of the deal.

I would like to meet with you to learn more about the acquisition and the specific terms regarding executive compensation and community investment. Please contact my office at (916) 445-2636 and let us know if we can find a mutually convenient time when you are next in California.

Shareowners like CalPERS and CalSTRS recognize the importance of brand to a company's value, as well as the role that corporate citizenship and community philanthropy play in strengthening that brand image. The implementation of this merger is a tremendous opportunity to reinforce your commitment to California's communities.

I look forward to meeting with you in the near future. Please contact my Deputy Chief of Staff, Joy Higa, at (916) 445-2636 if you have any questions.

Sincerely,

STEVE WESTLY

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