

**AFFIDAVIT**

HARRY A. JACOBS, JR., being duly sworn, deposes and says:

1. During all times material hereto, I am and have been a Senior Director of Prudential-Bache Securities, Inc.

2. On April 30, 1987 at 8:00 a.m., I had breakfast with Edwin Gray, then Chairman of the Federal Home Loan Bank Board. The meeting was held in Prudential-Bache's Headquarters in New York City and was scheduled at the request of Chairman Gray to discuss possible employment opportunities.

3. Between the time Chairman Gray called to request the meeting and the actual date of the meeting, I received a call from Senator Donald W. Reigle who expressed a positive opinion of Chairman Gray.

4. I submit with this affidavit, copies of two documents: a memorandum written by me on April 30, 1987 to George L. Ball and the calendar page from my diary for the date Thursday, April 30, 1987.

Date: December 31, 1990

Respectfully submitted,

H. A. Jacobs, Jr.  
HARRY A. JACOBS, JR.

Subscribed and Sworn  
before me, a Notary Public  
this 31st day of  
December, 1990

Josephine L. Riegle  
Notary Public

My commission expires:

JOSEPHINE DE STEFANO  
NOTARY PUBLIC, DISTRICT OF COLUMBIA  
NO. 12345678  
CLERK OF DISTRICT COURT  
WASHINGTON, D.C. 20004

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NOV 23 1980 15:25 FROM PRU-BACHE SEC

Prudential-Bache

Harry A. Jacobs Jr.

4/30/87

TO: George L. Ball  
Chairman & Chief Executive Officer

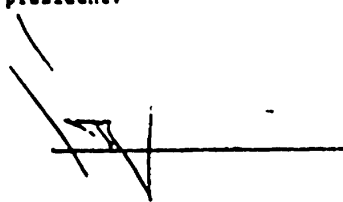
George:

Chairman Ed Gray of the FHLB was in for breakfast today. Gary Singletary was with me and Ed Payne was away at the PSA meeting. As you know, Chairman Gray is looking for a job. Subsequent to his making a date, Senator Riegle called too.

I doubt if there is anything Corporate Finance can do, but this is up to Gary.

I am sending you this note since Chairman Gray mentioned he was coming to see you next week.

He is a very close friend of Bill Seidman and I mentioned to him that Continental-Illinois will need a new chairman and president.

A handwritten signature, possibly "H. Jacobs", is written over a horizontal line. The signature is written in dark ink and is somewhat stylized.