

Kroll BondRatings™

Our name is on the line

June 13, 2011

Dear Valued Client,

In November 2010, we reported to you that LACE Financial Corporation was renamed Kroll Bond Rating Agency, Inc. At the same time, we began a comprehensive review of our ratings and methodologies with the goal of enhancing both their transparency and accuracy.

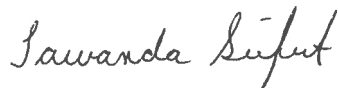
In June 2011, our Subscription Rating Service (SRS) will introduce ratings employing a new rating methodology for U.S. Banks and Savings & Loans.

A central feature of the new rating methodology is a revised statistical scoring system that was designed to improve the transparency of our ratings and enhance rating accuracy. The new scoring system was developed following a thorough analysis of recent bank failures with a view towards identifying those bank characteristics most predictive of failure. The new system generates a score for each institution, which is then converted to a rating. As before, our analysts will continue to review each rating before its publication.

In our opinion, the revised methodology should improve upon the already strong accuracy of our ratings and allow us to provide a better and more useful service to you. Please see *A Model for Assessing the Financial Strength of U.S. Banks and Savings & Loans* (available at http://www.krollbondratings.com/rating_method.php) for a full description of the new methodology.

We appreciate your business and want to hear from you about this new development or any other aspect of our rating service. We look forward to continuing to improve our service to you.

Sincerely yours,



A. Tawanda Seifert
Managing Director
Kroll Bond Rating Agency, Inc.
1311 S. Main Street
Suite 304
Mt. Airy, MD 21771
Office: 301-662-1011
Direct: 240-394-4137



Jerome S. Fons
Executive Vice President
Kroll Bond Rating Agency, Inc.
599 Lexington Avenue
12th Floor
New York, NY 10022
Office: 212-702-0707
Direct: 917-281-3255