

August 4, 2004

**Wachovia Capital Markets, LLC
Customer Disclosure on Disaster Recovery**

To whom it may concern:

In response to the NYSE Rule 446 and NASD Rule 3510, the following disclosure explains Wachovia Capital Markets, LLC business continuity plan addressing the possibility of a future significant business disruption and the plan to respond to events of varying scope.

In accordance to Wachovia Corporation requirements and to provide exceptional uninterrupted customer service, Wachovia Capital Markets maintains an active Business Continuity Planning Program.

Wachovia Capital Markets, LLC business continuity strategy is multi-faceted and multi-dimensional, addressing the following aspects from both a short-term and long-term disruption perspective:

- Technology
- Personnel
- Operational Sites
- Communication (Internal and External)

In the event of a short-term disruption, such as an evacuation of primary sites, alternate staffing recovery site arrangements have been made. There are multiple courses of action that may be activated depending on the impacted areas.

Critical processing is rerouted to alternate processing locations that are a significant distance away from the primary processing location. This rerouting can generally achieve recovery within 4-6 hours of the declaration of activation.

Critical impacted staff is relocated to another local production site "bumping" less critical staff from their workspace. The activation of this type of alternate staff recovery can generally be achieved within 2-4 hours of the declaration of activation.

Critical impacted staff is relocated to "hot" alternate site dedicated to recovery. These sites are not occupied during normal operations and are designed to be activated within 2-4 hours of the declaration of activation.

In the event of a long-term disruption, such as structural damage to a primary site, occupation of a primary site being prohibited for greater than 2 business days, or city-wide or regional event, alternate staffing recovery site arrangements exist and alternate technology recovery sites exist.

Critical processing is rerouted to alternate processing locations that are a significant distance away from the primary processing location. This rerouting is intended to establish recovery within 4-6 hours of the declaration of activation.

Critical impacted staff is relocated to an alternate site dedicated to recovery. This site has the capacity to sustain a longer duration of disruption with respect to technology, number of seats, and robustness of processing. The site provides "hot" seats striving to be functional within 4-6 hours of site activation and "warm" seats that strive to be functional within five calendar days of site activation. These sites are not occupied during normal operations, which can enable quick activation.

Wachovia Securities is the trade name for the corporate and investment banking services of Wachovia Corporation and its subsidiaries, including Wachovia Capital Markets, LLC ("WCM"), member NYSE, NASD, SIPC.

Agreements have been established with local telecommunication carriers to reroute incoming customer calls to ensure, to the greatest extent possible, Wachovia Capital Markets, LLC provides uninterrupted customer service during the initial hours of the disruption as well as throughout the entire disruption.

Alternate technology recovery sites have been established for all proprietary applications required to process business activities. Recovery architecture of the applications has been design to facilitate recovery time objectives stated by the business impact analysis and business continuity plans. The technology recovery sites utilize separate utility services than the primary technology sites to significantly reduce the probability of a disruption impacted both sites.

Wachovia Capital Markets, LLC technology recovery strategies also include redundant communication lines to our non-proprietary applications provided by external vendor sources from both a Wachovia owned primary location and alternate location. This design strives to provide Wachovia Capital Markets, LLC with access to our non-proprietary applications if an event affects our primary location and/or the vendor's primary location. The vendor's ability to recover may impact Wachovia's internal recovery time capability.

Communication with customers, vendors and employees is paramount to Wachovia Capital Markets' ability to provide exceptional customer service during a disruption. Our business continuity plans focus on employee communications from the Executive leadership throughout the entire employee population. Employee contact lists are maintained throughout the year enabling currency of these lists to the best of our ability. Vendor and Customer contact information are also maintained throughout the year.

Wachovia Capital Markets, LLC acknowledges testing is a key element to ensuring planning is comprehensive, adequate and accurate. Regularly scheduled testing occurs across all product lines with Wachovia Capital Markets, LLC. Wachovia Corporation has established a structured testing approach based on process risk value and recovery time objectives of both the business processes and the technology supporting the businesses. Testing is multi-faceted including:

- Employee Call Tree Testing
- Crisis Management Testing
- Business Continuity Testing
- Alternate Staff Recovery Site Testing
- Application and Infrastructure Recovery Testing

Wachovia Corporation takes seriously its obligation to use all financially reasonable means to assure business continuity for the company and its clients. However, the foregoing does not constitute a representation or warranty that certain events will not affect Wachovia systems or that Wachovia can achieve specific recovery times in the event of a disruption. This document is intended only to provide guidance as to Wachovia's recovery plans, and nothing in this document modifies, amends or supplements in any way any agreement or other warranty or representation with respect to Wachovia products or services including the availability of such products or services. To the extent material changes to our Business Continuity Plans occur, this summary will be updated and provided to clients via our website or customer mailing (only upon customer request).

In conclusion, Wachovia Capital Markets, LLC has a robust business continuity program that is focused on customer service, safety of employees and risk mitigation. Commitment from all levels of management to maintain the program is demonstrated through active participation in strategy planning and regular testing, identifying areas for continued process improvement.

For further information, contact your Wachovia Relationship Manager.

Wachovia Securities is the trade name for the corporate and investment banking services of Wachovia Corporation and its subsidiaries, including Wachovia Capital Markets, LLC ("WCM"), member NYSE, NASD, SIPC.