[MS-0436.004.002.003]

February 25, 1987

Mr. James C. Schmidt
President
Great American First Savings Bank
600 "B" Street
San Diego, CA 92183

Dear Jim:

Being a part of the review of the business ventures that Bill Thompson created, has reinforced the strong feeling inside me to establish a Minority Enterprise Small Business Investment Company (MESBIC). Bill's efforts to create minority owned businesses would have been greatly aided by the existence of a MESBIC.

A MESBIC is a special type of Small Business Investment Company which concentrates on providing equity funds, long term loans, and management assistance to minority controlled small business concerns. The most significant feature of the program is that the Federal Government matches private investment in a MESBIC with $3 and sometimes $4 of debt for every $1 of paid-in-capital. A minimum of one million dollars of paid-in-capital is required to form a MESBIC.

I am determined to fill the void of "capital impotence" which has plagued the San Diego minority community. The formation of a MESBIC can fill that void. I am requesting your help in raising the required amount of paid-in-capital. I feel that existing concerns such as the Popeye's franchise can be salvaged and made to be a profitable business if some capital is made available for it.

Your consideration and early reply will be greatly appreciated.

Sincerely,

Harold

Harold K. Brown

HKB:dpa

cc: Mr. Dan Berry