CtW Investment Group

March 5, 2009

O. Temple Sloan
Lead Director
Bank of America
100 N. Tryon Street
Charlotte, North Carolina 28255

Dear Mr. Sloan:

Recent events have fatally undermined investor confidence in Bank of America (BAC) Chairman and CEO Kenneth D. Lewis. With BAC's share price now down 90% in 5 months, we call upon the BAC board of directors to immediately seek the resignation of Chairman and CEO Ken Lewis. Absent prompt action to remove Mr. Lewis, we will have no choice but to call upon BAC shareholders to join us at BAC's upcoming annual meeting in voting against Mr. Lewis, Thomas Ryan, as chair of the Corporate Governance Committee responsible for CEO succession, and you as lead independent director.

A year ago, we communicated grave concerns with BAC's failure to manage risk in a February 6, 2008 letter to three members of the board's Asset Quality Committee. Absent a compelling explanation, we indicated our intent to oppose the directors' re-election at BAC's 2008 annual meeting. In response, you invited us to a meeting in Charlotte during which you assured us the board was diligent in its oversight of management and had already taken steps to substantially improve risk management. Based on these assurances, we did not oppose the election of any BAC directors.

The board, however, subsequently allowed Mr. Lewis to take outsized, reckless risks by acquiring Merrill Lynch in the midst of severe financial uncertainty. After hastily arranging the ill-considered acquisition, management then failed to disclose Merrill's staggering fourth quarter losses prior to the shareholder vote on the merger. In addition, BAC's senior management was reportedly aware of Merrill Lynch's intent to distribute nearly $4 billion in bonuses at a time when Merrill Lynch was suffering heavy losses. It also appears that Mr. Lewis had the ability to prevent the payments under a previously undisclosed agreement.

Removing Mr. Lewis is now a necessary prerequisite to restoring BAC's credibility with shareholders, regulators and the public. If the board fails to remove Mr. Lewis prior to filing its 2009 annual meeting proxy this month, we will urge shareholders to join us in opposing Mr. Lewis' re-election and that of the independent directors most culpable for his continued employment.

The CtW Investment Group works with pension funds sponsored by unions affiliated with Change to Win, a coalition of unions representing 6 million members, to enhance

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long-term shareholder value through active ownership. These funds, together with public pension funds in which CtW union members participate, are substantial long-term Bank of America shareholders.

Background

At the time of our March 2008 meeting to discuss BAC's risk management failures, BAC had lost approximately 30% of its market capitalization over the previous year, in significant part due to liquidity support agreements included in the terms of CDOs BAC had issued since 2005. At that meeting, we were assured by you and BAC's risk management team that the company understood the mistakes it had made, and had already taken steps to substantially improve its risk management process going forward, including a commitment to seeking outside opinions concerning future developments in the financial markets.

Subsequent events suggest that neither the board nor management put adequate risk management practices in place: despite serious concerns with the Merrill acquisition voiced by numerous outside observers, the board supported Mr. Lewis' gamble, with devastating results. Whereas BAC had entered the September-October meltdown in relatively strong shape compared to peer institutions – having lost only about 40% of its January 2007 market capitalization at the time Lehman Brothers collapsed – the board's acquiescence to the Merrill Lynch acquisition has since precipitated a 90% fall in BAC's share price.

No Confidence in Mr. Lewis

Shareholders' loss of confidence in BAC stems from the announcement on January 16 that Merrill Lynch had lost an additional $15.3 billion – and over $19 billion in shareholders' equity – in the fourth quarter of 2008, essentially doubling its losses for the year.

BAC shareholders could have avoided these devastating losses had BAC either exercised its rights under the Material Adverse Effects clause or disclosed the losses to its shareholders prior to our voting on the merger. Mr. Thain has reportedly indicated that BAC had ongoing access to Merrill Lynch's daily profit and loss reports. Nevertheless, Mr. Lewis claims that he and his team were unaware of the scale of Merrill's losses until after the December 5 shareholder vote. At that time, Mr. Lewis requested and received considerable further taxpayer support in the form of additional preferred equity and a partial guarantee of the value of approximately $118 billion in assets. But despite apparently recognizing the severity of Merrill's condition and the damage a merger would do to BAC, Mr. Lewis neither informed shareholders of the scale of Merrill's fourth quarter losses nor invoked BAC's contractual rights under the merger agreement's Material Adverse Effects clause.

More recently, shareholders have learned that at essentially the same time as the merger agreement, BAC and Merrill Lynch entered into a previously undisclosed agreement

according to which Merrill was able to issue bonuses from a pool of approximately $5.8 billion, and that the bonuses “shall be determined by the company (Merrill) in consultation with the parent (Bank of America).” Indeed, it appears that BAC used its authority to influence Merrill’s bonus awards to reduce the size of the available pool from $5.8 billion to “under $4 billion.” As a consequence of BAC’s failure to disallow bonus payments by Merrill Lynch, the company is now under investigation by the New York Attorney General.

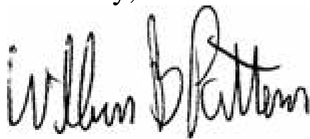
These decisions have prompted shareholder litigation alleging breach of fiduciary duty. At minimum, they represent a failure of judgment on Mr. Lewis' part. Any one of these actions alone would justify Mr. Lewis’ removal: he either knew the scale of Merrill’s losses and failed to inform shareholders of them, or he was grossly negligent in failing to keep abreast of Merrill’s deteriorating performance. Moreover, in allowing Merrill executives to extract $3.6 billion from the company even while BAC recorded over $15 billion in losses and was seeking further taxpayer support, Mr. Lewis endangered the solvency of BAC and severely tarnished its public image and reputation.

The Board’s Responsibility

While we believe shareholders are entitled to a full explanation of what the board knew, when it knew it, and whether it approved of Mr. Lewis’ disastrous decisions, it is more important in our view that the board do what is necessary to restore investor confidence. Removing Mr. Lewis as Chairman and CEO is necessary first step in this challenging process.

Thank you for your timely consideration.

Sincerely,



William Patterson
Executive Director

cc: Ken Lewis, Chairman, CEO, and President
Thomas Ryan, Chair Corporate Governance Committee