

January 5, 2009

Mr. Walter A. Hall (023)
Assistant General Counsel and
Designated Agency Ethics Official
U.S. Department of Veterans Affairs
Washington, D.C. 20420

Dear Mr. Hall:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of the U.S. Department of Veterans Affairs.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

I am the sole proprietor of my consulting company, which does business as Pegasus Associates, Inc. Upon confirmation, Pegasus Associates, Inc. will cease engaging in any business. During my appointment to the position of Secretary, Pegasus Associates, Inc. will remain dormant and will not advertise. I will not perform any services for Pegasus Associates, Inc., except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain this company while it is in an inactive status. As Secretary, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Pegasus Associates, Inc. In addition, I will not participate personally and substantially in any particular matter involving specific parties in which a former client of mine is a party or represents a party for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I have resigned from my position as a member of the board of directors of Honeywell International, Inc. I will continue to participate in a deferred compensation plan with Honeywell International, Inc., but neither I nor Honeywell International, Inc.

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will make additional contributions to this plan. My interests in this deferred compensation plan currently track several funds, including the Honeywell Common Stock fund; however, in order to reduce the potential for conflicts of interest, I will modify my interests in this plan to track only the Honeywell Common Stock fund. Because I will continue to hold restricted stock, stock options, and an interest that tracks the Honeywell Common Stock fund, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of Honeywell International Inc., unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I have resigned from my positions with Ducommun, Inc. and National Interest Security Company, LLC. Because I will continue to have financial interests in these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of either of these entities, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I have resigned from my position with Guardian Life Insurance Company of America (Guardian). I no longer hold a financial interest in Guardian except for a cash interest in deferred compensation, which Guardian will pay in a lump sum in accordance with the terms of the deferred compensation plan. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Guardian to make this payment, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). In addition, for a period of one year after my resignation from Guardian, I will not participate personally and substantially in any particular matter involving specific parties in which Guardian is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I have resigned from my position with Haili Moe, Inc. A preexisting stock ownership plan requires Haili Moe to repurchase my 0.3 % interest in the company at net book value as of the time of my resignation. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Haili Moe, Inc. to make this payment, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). In addition, for a period of one year after my resignation from Haili Moe, Inc., I will not participate personally and substantially in any particular matter involving specific parties in which Haili Moe, Inc. is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I have resigned from my positions with DC Capital Partners, LLC; First Hawaiian Bank; Grove Farm Company, Inc.; and Kaseman, LLC. I no longer hold financial

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interests in these entities. I also have resigned from my positions with the Go For Broke National Education Center. For a period of one year after my resignation from each of these entities, I will not participate personally and substantially in any particular matter involving specific parties in which that entity is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

I will retain my positions as co-trustee of the Eric K. Shinseki Trust, the Patricia K. Shinseki Trust, and the Eric K. Shinseki Insurance Trust. I will not receive any fees for the services that I provide as a co-trustee during my appointment to the position of Secretary. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any of these trusts or on those of the issuers of securities that they hold, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

Sincerely,



Eric K. Shinseki