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December 10, 1992

Sir Adrian Cadbury
Committee on the Financial Aspects
of Corporate Governance
P.O. Box 433
Moorgate Place
London EC2P 2BJ
England

Dear Sir Adrian:

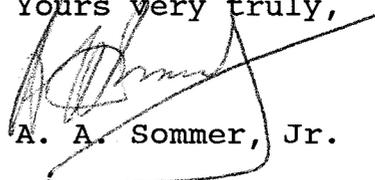
I am a former Securities and Exchange Commissioner and presently practice law. I write and lecture frequently on corporate governance and I am also the Chairman of the Public Oversight Board of the American Institute of CPAs. Because of those involvements and a great interest in corporate governance developments in the U.K. I often see and talk with Jonathan Charkham about such matters.

I want to congratulate you and your colleagues upon the splendid job you have done in producing your report. I read the exposure draft with considerable interest and I have done the same with the final version--if anything my interest has been even higher. I think your report is imaginative and innovative and hopefully will have the impact you intend.

The Public Oversight Board is in the process of drafting an extensive report on the accounting profession in this country. It may well be that we will draw upon your report.

Again, hearty congratulations upon a job extraordinarily well done.

Yours very truly,



A. A. Sommer, Jr.

AAS/rh

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9 December 1992

Sir Adrian Cadbury
Committee on The Financial Aspects
of Corporate Governance
P. O. Box 433
Moorgate Place
London EC2P 2BJ England

Dear Adrian:

Thank you very much for your letter of 3 December and the copies of your final report. I have sent Jay his set. I think your final report turned out very well. Like the draft that preceded it, it is extremely well written and directly to the point. Knowing the conflicting views with which you had to deal, I think you produced an outstanding result.

We continue to follow along pretty much the same path that you have been trodding. The "Modest Proposal" that Jay and I wrote appeared in the November issue of the "Business Lawyer" and Jay and I have prepared a dissent and concurrence to the final report of the Subcouncil on Corporate Governance and Financial Markets of the Competitiveness Policy Council. You might find the discussion of the lead director and the discussion of the periodic meeting with institutional directors of some interest. We have expanded both discussions in light of comments we received with respect to those points in the "Modest Proposal".

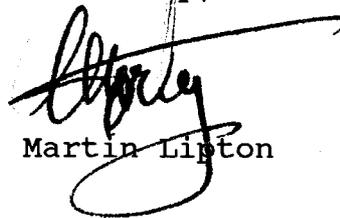
Sir Adrian Cadbury

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December 9, 1992

I wish you the very best for the holidays and the
New Year.

Sincerely,

A handwritten signature in black ink, appearing to read 'Martin Lipton', with a large, sweeping flourish extending to the right.

Martin Lipton

Enclosures

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w/o Enclosures