

August 1, 2005

David C. McBride, Esq.

Young Conaway Stargatt & Taylor, LLP
The Brandywine Building
1000 West Street, 17th Floor
Wilmington, Delaware 19899-0391

Re: Proposed Amendment to Section 216 of the Delaware General Corporation Law, 8 Del. C. § 216 Relating to the Election of Directors

Dear Mr. McBride:

The CFA Institute Centre for Financial Market Integrity of the CFA¹ takes this opportunity to appeal to you as Chairman of the Corporate Law Section (the “Section”) of the Delaware State Bar Association to request that the Section consider recommending to the Delaware legislature an amendment to Section 216 of the Delaware General Corporation Law (“DGCL”), 8 Del. C. § 216, to make majority voting for director elections the default choice for Delaware corporations.

The CFA Centre endorses majority voting in the election of a directors, with the belief that such a voting structure will make boards and the directors that serve on them more accountable to the ultimate owners of a corporation; its shareholders. The current plurality voting structure does not always serve in the best interest of shareholders, as only one vote allows an unopposed director to continue serving on the board – no matter what percentage of shareholders may disapprove of that directors’ appointment.

A number of forward looking companies have already adopted a majority voting standard in the election of directors, and the issue has gained wide-ranging support among shareholder groups. Votes in favor of majority votes for the election of directors have reached near 50% this proxy season based on recent reports by Institutional Shareholder Services. Support for such a

¹ With headquarters in Charlottesville, VA and regional offices in New York, Hong Kong and London, CFA Institute (formerly, the Association for Investment Management and Research[®]) is a non-profit professional association of 78,000 financial analysts, portfolio managers, and other investment professionals in 119 countries of which 63,000 are holders of the Chartered Financial Analyst[®] (CFA[®]) designation. The CFA Institute membership also includes 132 Member Societies and Chapters in 52 countries and territories. The CFA Centre develops, promulgates, and maintains the highest ethical standards for the investment community including the CFA Institute *Code of Ethics and Standards of Professional Conduct*.

The CFA Centre For Financial Market Integrity

Re: *Majority Voting Standard*

1 August 2005

Page 2

standard was around 12% in 2004, and has averaged 45% support thus far in 2005.² The CFA Centre encourages the Section to recommend an amendment to Delaware Corporate Law to set majority voting in the election of directors as the default standard for corporations registered in Delaware. The CFA Centre believes that such action will reinforce the standing of Delaware legislature as the leader in setting the standards of U.S. corporate law.

The CFA Centre has responded to the recent Discussion Paper on Voting by Shareowners for the Election of Directors published by the Committee on Corporate Laws (“The Committee”) of the American Bar Association. Our response to the committee delineates our reasons for supporting a majority voting standard, and responds to some of the arguments that have been made against adopting such a standard by opponents of the rule. We are including a copy of our letter to the Committee so that you may best understand our position on this issue.

Respectfully,

/s/ Kurt N. Schacht, JD, CFA

Managing Director

CFA Centre for Financial Market Integrity

Cc: CFA Centre Advisory Counsel
Jeffrey J. Diermeier, CFA, Chief Executive Officer, CFA Institute
Raymond J. DeAngelo, Managing Director, Member & Society Division,
CFA Institute
Ann Yerger, Executive Director, Council of Institutional Investors

Encl: Response to Discussion Paper on Voting by Shareowners for the Election of Directors

² Preliminary 2005 Postseason Report, Corporate Governance at a Crossroads – Institutional Shareholder Services