

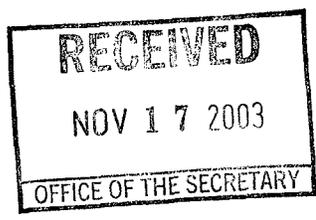
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November 11, 2003

By US Mail

Jonathan G. Katz
Secretary
U.S. Securities and Exchange Commission
450 Fifth Street NW
Washington, DC 20549-0609



Re: Shareholder Nomination Proposal -- File No. S7-19-03

Dear Mr. Katz:

I am an Independent Director and Chairman of the Corporate Governance Committee of Cendant Corporation, a Delaware corporation with expected revenues of \$18 billion for 2003 and more than 90,000 employees worldwide. I appreciate this opportunity to provide comments on the Securities and Exchange Commission ("SEC") proposal to require companies to include shareholder nominees for director in company proxy materials under certain circumstances.

Cendant has been a strong proponent of enhanced governance standards and we agree that corporate boards and management must hold themselves to the highest standards of corporate governance. In fact, Cendant was in compliance with Sarbanes-Oxley standards and New York Stock Exchange governance listing standards well before their implementation. We continue to strongly support the Sarbanes-Oxley Act of 2002, and we appreciate the SEC's efforts to implement the Act. We also support the New York Stock Exchange corporate governance listing standards, which we believe will foster sound corporate governance and responsiveness and will encourage more transparent business practices.

However, we also believe that the new Sarbanes-Oxley standards, the New York Stock Exchange governance standards and the demands of the capital markets have already required corporations and their boards to implement appropriate governance practices. As a result, we believe that time is now required for the new standards to be fully implemented by corporations and to study the impact of the numerous Sarbanes-Oxley and New York Stock Exchange standards before layering on additional requirements. We strongly believe that the shareholder nomination proposal will not contribute to good governance since it will overly complicate the director election process by requiring companies to include shareholder nominees in their proxy materials, will enhance special interest groups' access to boardrooms and will continue to erode the willingness of highly qualified independent directors to serve on boards of public companies. Furthermore, the proposed rules go far beyond the SEC's stated intent of targeting a small number of unresponsive companies and will impact many U.S. public companies – regardless of their corporate governance practices or their responsiveness to shareholders.

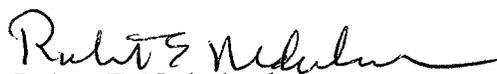


If the inclusion of shareholder nominees in company proxy materials is to be required, we agree with the SEC that it only should be triggered by objective criteria indicating that shareholders have not had adequate access to an effective proxy process. We are concerned, however, that the proposed rules run counter to this goal. In particular, the trigger based on a majority-vote shareholder proposal to activate access would apply to any company, not merely those companies that have failed to respond to shareholder concerns. Moreover, the trigger based on a director's receipt of more than 35 percent of "withhold" votes, while more appropriate than the first trigger, would not give the board and its nominating committee an opportunity to respond to shareholder concerns about a director before the company's proxy process is deemed ineffective. The possible third trigger, a company's failure to implement a majority-vote shareholder proposal (other than a proposal to activate access) does not demonstrate the ineffectiveness of the proxy process. When shareholders approve a proposal requesting a board to take (or not take certain actions), it is well understood that the board, in further of its legal obligations, may or may not follow the recommendation. There is no basis for assuming that a board's unwillingness to promptly implement a shareholder recommendation represents a failure of the proxy process. Finally, the proposed thresholds for shareholders to submit a proposal to activate access and to nominate directors are too low to justify the cost and substantial disruption of the proxy contests that would result.

We believe the SEC should allow the corporate governance reforms adopted by Congress, the SEC and the securities markets to be fully implemented before proceeding with additional regulation. With the increased independence of boards of directors, the strengthened role and independence of nominating committees and the enhancement of shareholder-director communications, we believe that the issues that led to calls for shareholder access will be addressed. If the SEC nevertheless concludes that changes in the director election process are necessary, then we believe it is necessary to substantially revise the proposed rules to better target them to non-responsive companies.

Thank you for considering these concerns about the proposed rules. If you would like to discuss these comments or any other issue, please do not hesitate to contact me at 212-413-1892.

Sincerely,



Robert E. Nederlander
Director and Chairman of the Corporate
Governance Committee
Cendant Corporation

cc: Henry R. Silverman
Chairman and CEO
Cendant Corporation

James E. Buckman
Vice Chairman and General Counsel
Cendant Corporation

Eric J. Bock
Executive Vice President and Corporate Secretary
Cendant Corporation

Hon. William H. Donaldson
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