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**HOUSEHOLD
INTERNATIONAL**

~~AUG 24 1984~~

J. R. HULL

D. C. Clark
Chairman of the Board and
Chief Executive Officer

August 24, 1984

To: Members of the Board of Directors
Household International

I have had several conversations with John Whitehead concerning his having voted against the Rights Plan adopted by the Board on August 14, 1984. John is concerned that his vote might be misconstrued. He, therefore, wrote the enclosed August 23, 1984 letter to me clarifying his position.

I, of course, continue to respect John's position, but I am delighted that he still feels the Plan has merit and that he disassociates himself from John Moran's litigation.

Sincerely,



Donald C. Clark

DCC/cab
enclosure

bcc: RFD
JRH
JDP
GOF

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Goldman, Sachs & Co. | 85 Broad Street | New York, New York 10004
Tel: 212-902-8277

John C. Whitehead
Senior Partner

D. C. C.
AUG 23 1984

Goldman
Sachs

August 23, 1984

Mr. Donald C. Clark
Chairman of the Board
Household International Inc.
2700 Sanders Road
Prospect Heights, Illinois 60070

Dear Don:

I am concerned that the publicity surrounding John Moran's litigation against Household's recently-adopted Preferred Share Purchase Rights Plan and the fact that I was omitted from the list of defendants may have indicated that I am sympathetic to that litigation. I am not. I have read his complaint and I believe it misstates what the Board sought to achieve and I completely disassociate myself from his litigation.

At the Board meeting on Tuesday, August 14, I did vote against the Plan. As I explained at the meeting, I was sympathetic to the objective of deterring two-tier bust-up takeovers and it seemed to me that the specific Plan itself, while new and untested, did indeed have merit. I was impressed that both Wachtel Lipton and Goldman Sachs recommended it. What I objected to was the prospect that Household would become only the second company in the country to adopt such a plan and would thereby draw attention to itself in a way that would indicate undue and unwarranted fear of a takeover. I feared that such publicity might even encourage the very result that we sought to avoid.

I hope this will clarify my position.

Sincerely,


JCW:vwt

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