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Doubts about the Independence of LDK's Independent Audit Committee.

This week asensio.com published three reports on LDK Solar Co., Ltd. (NYSE: LDK) as part of an advocacy project to demonstrate short-selling's positive contributions to the securities industry. Serious questions remain concerning the Chinese solar company's reported earnings and dealings with suppliers. In October, LDK announced that it had formed an "independent audit committee" to investigate the company's expense capitalization and inventory valuation policies.

Now the "independence" of LDK's independent audit committee has been drawn into question. On December 4, LDK CFO Jack Lai revealed details from the investigation to a reporter from Dow Jones Newsletters. It appears that a source from either the independent audit committee, headed by two supposedly independent directors from LDK's board, or from the committee's independent legal and accounting experts, provided details from the investigation to Mr. Lai. Mr. Lai then disclosed this information to Dow Jones, driving the price of LDK's stock up 97% in six trading days.

Increasing concern about the independence of LDK's independent audit committee compelled asensio.com's former leader, Manuel P. Asensio, to contact Simpson Thatcher & Bartlett, the law firm LDK retained to advise the "independent" committee. The letter inquires about the independence of the audit committee, copying individuals from Deloitte Touche Tohmatsu, the "Big Four" auditor Simpson Thatcher retained for this investigation, and LDK's auditors, KPMG China. [Click here](http://asensio.com/LetterSBT.pdf) to review this letter and additional information relating to Mr. Lai's stock promotion.

asensio.com will continue to distribute breaking news on LDK.

The purpose of asensio.com's research reports is to benefit regulators, legislators, journalists, and investors. Past reports have engendered many important reforms, including changes in the Attorney General's office in Alaska, governance changes at the Dreyfus Corporation, new listing procedures at the American Stock and Options Exchange ("AMEX"), and amendments to National Association of Securities Dealers' ("NASD") regulations relating to the governance of research analysts' conflicts of interest.