

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

DOCKETED  
JUL 07 2004

LAWRENCE E. JAFFE PENSION PLAN, On )  
Behalf of Itself and All Others Similarly )  
Situating, )

Plaintiff, )

vs. )

HOUSEHOLD INTERNATIONAL, INC., et )  
al., )

Defendants. )

Lead Case No. 02-C-5893  
(Consolidated)

CLASS ACTION

Judge Ronald A. Guzman  
Magistrate Judge Nan R. Nolan

FILED

JUN 30 2004  
MICHAEL W. DOUGHERTY  
CLERK OF COURT

MOTION FOR CLASS CERTIFICATION

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Pursuant to Rules 23(a), 23(b)(3) and 23(c)(1) of the Federal Rules of Civil Procedure, lead plaintiffs Glickenhau & Company, PACE Industry Union Management Pension Fund, The International Union of Operating Engineers Local No. 132 Pension Plan (collectively, "lead plaintiffs" or "plaintiffs"), by their counsel, respectfully move this Court, for an order: (1) certifying this action as a class action pursuant to Fed. R. Civ. P. 23(b)(2) on behalf of a Class defined as

all persons and entities who purchased or otherwise acquired publicly traded securities of Household International, Inc.<sup>1</sup> during the period beginning October 23, 1997 through and including October 11, 2002 (the "Class Period"), including all persons or entities who purchased or otherwise acquired debt securities of Household Finance Corporation, a wholly owned subsidiary of Household, pursuant to registration statements which became effective on or after August 19, 1999, or in the secondary market<sup>2</sup>

and (2) certifying plaintiffs as the representatives for the Class and their counsel of record as Class counsel.

The Class should be certified pursuant to Fed. R. Civ. P. 23(b)(3) because each of the Rule's prerequisites is satisfied.

1. Rule 23(a)(1)'s numerosity requirement is satisfied. Members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to plaintiffs at this time, plaintiffs believe there are thousands of Class members who are

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<sup>1</sup> Unless specified otherwise, Household International Inc. ("Household" or the "Company") includes its subsidiaries, Household Finance Corporation, Inc. ("HFC"), Household Realty Corporation and Beneficial Corporation, subsequent to the latter's merger with Household on June 30, 1998.

<sup>2</sup> Excluded from the Class are: (i) defendants; (ii) members of the family of each individual defendant; (iii) any entity in which any defendant has a controlling interest; (iv) officers and directors of Household or HFC, their subsidiaries and affiliates; and (v) the legal representatives, heirs, successors, or assigns of any such excluded party. Defendants in this action include Household, HFC (including all their subsidiaries and affiliates), Arthur Andersen LLP ("Andersen") and the following individual defendants: (i) William Aldinger, Chief Executive Officer and Chairman of the Household Board of Directors and a director of HFC; (ii) David Schoenholz, President, Chief Operating Officer and Vice-Chairman of the Household Board of Directors and a director of HFC; (iii) Gary Gilmer, Vice-Chairman of Consumer Lending and a director of HFC; and (iv) J.A. Vozar, a director of HFC.

geographically dispersed across the country. Their identity and location can be readily obtained from defendants' files and records.

2. Common question of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class, in satisfaction of Rule 23(a)(2) and Rule 23(b)(3). Among the predominant questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by defendants' acts as alleged herein;

(b) whether the registration statements issued by Household during the Class Period contained material misstatements or omitted to state material information;

(c) whether statements made by defendants to the investing public during the Class Period misrepresented material facts about the business, financial and operational results of Household;

(d) whether Andersen's unqualified reports issued on Household's financial statements during the Class Period materially misstated that Andersen's audits were conducted in accordance with Generally Accepted Auditing Standards and/or whether Household's financial statements were presented in accordance with Generally Accepted Accounting Principles;

(e) with respect to the claims arising under §10(b) of the Securities Exchange Act of 1934, whether defendants acted willfully, knowingly, or recklessly in omitting or misrepresenting material facts;

(f) whether the market price of the Company's securities was artificially inflated during the Class Period due to the material misrepresentations, deceptions or non-disclosures alleged in the [Corrected] Amended Consolidated Class Action Complaint for Violation of the Federal Securities Laws, dated March 7, 2003 (the "Complaint"); and

(g) whether the members of the Class have sustained damages, and if so, the proper measure of such damages.

3. Plaintiffs' claims are typical of the claims to the other members of the Class, in satisfying Rule 23(a)(3). Plaintiffs and other members of the Class have sustained damages because of defendants' alleged unlawful activities.

4. Plaintiffs and their counsel adequately represent the Class, in satisfying Rule 23(a)(4). Plaintiffs have retained counsel competent and experienced in class and securities litigation and have prosecuted and intend to continue to prosecute this action vigorously. Plaintiffs have no interests which are contrary to or in conflict with those of the Class.

5. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy. Plaintiffs know of no difficulty to be encountered in the management of this action that would preclude its maintenance as a class action. *See Fed. R. Civ. P. 23(b)(3)*.

6. Plaintiffs have filed contemporaneously a memorandum of law in support of this motion.

WHEREFORE, based upon the Complaint, and for the reasons set forth above and in plaintiffs' contemporaneously filed supporting memorandum of law, this Court should enter an order certifying this case as a class action pursuant to Fed. R. Civ. P. 23, and certifying the plaintiffs as representatives of the Class, and certifying plaintiffs' counsel as counsel for the Class.

DATED: June 30, 2004

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