

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

LAWRENCE E. JAFFE PENSION PLAN, On)	Lead Case No. 02-C-5893
Behalf of Itself and All Others Similarly)	(Consolidated)
Situated,)	
) <u>CLASS ACTION</u>
Plaintiff,)	
) Judge Ronald A. Guzman
vs.)	
)
HOUSEHOLD INTERNATIONAL, INC., et)	
al.,)	
)
Defendants.)	
_____)	

**PLAINTIFFS' APPENDIX OF EXHIBITS IN SUPPORT OF OPPOSITION TO
DEFENDANTS' RENEWED MOTIONS FOR JUDGMENT AS A MATTER OF LAW
PURSUANT TO RULE 50(b) OR, IN THE ALTERNATIVE, FOR A NEW TRIAL
PURSUANT TO RULE 59**

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
1	19	Household Bank FSB, Prospect Heights IL – FDIC Issues and Findings, FDIC Review Concurrent with OTS Exam
2	79	E-mail re: DAS Request – OTS Recidivists
3	102	Apr. 11, 2000 e-mail string re: Minutes for April 7, 2000 Credit Committee
4	118	April. 10, 2002 Rich Peters email re Spike Report
5	129	Oct. 10, 2002 email re Chapter 13 Restructures
6	140	Legg Mason Spring Cleaning But Risks Remain, Apr. 10, 2002
7	175	Jan. 12, 2001 e-mail chain re: QO
8	176	Household Quality of Accounting Policies Applied in Financial Reporting with handwritten notes, 11/13/2000
9	180	May 28, 2002 Makowski memo
10	183	April 9, 2002 Household Int'l Conference Call Transcript
11	188	Attachment to HI Management Certification
12	198	Investor Relations Report, May-August 2002
13	199	Investor Relations Report, September-October 2002
14	227	Aug. 14, 2002 Press Release – Household International Certifies Accuracy of SEC Filings in 2002; Reaffirms Business Outlook for Balance of the Year; Restates Certain Prior Period Accounts
15	231	Household International, Inc. Form 10-K/A for the Fiscal Year Ended December 31, 2001
16	267	Jan. 4, 1999 e-mail re: “Tomorrow”
17	269	The HFC Sales Staff Plan (eff. 1/1/2000)
18	276	Feb. 20, 2002 Housing Discrimination Complaint for Jose Nanez
19	285	July 5, 2002 letter re: Inquiry Re: Fee Ranges on the Good Faith Estimate
20	290	Washington DFI Expanded Report of Examination for Household Finance Corporation III as of April 30, 2002
21	313	Aug. 15, 2001 e-mail from Paul Makowski to William Aldinger, <i>et al.</i> , re: Delinquency
22	324	Sept. 23, 2002 letter from Minnesota Department of Commerce to Household Board of Directors re: Industrial Loan and Thrift Examination – IL, 920 Plymouth, MN
23	329	New Jersey Beneficial Exam, Oct. 29, 2001
24	333	Mar. 11, 2002 Household Letter re: Regulatory Examination Licenses MLB-111 7 ML-18 (Virginia)
25	347	Memorandum re: U.S. Consumer Finance Growth Strategies (Meeting with Andrew Kahr 12/18)

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
26	348	Jan. 27, 1999 Memo "Initiatives to Accelerate Growth of U.S. Consumer Finance"; Memorandum from Gary Gilmer to Bill Aldinger, <i>et al.</i> re: Initiatives to Accelerate Growth of U.S. Consumer Finance
27	360	Apr. 15, 2002 Household Memorandum re: MS March Results
28	379	FAX (Florida Review/Effective Rate Complaints/ Prohibited Sales Practices); May 20, 2002 fax re: IMPORTANT (e-mails re: Fla Review attached to fax)
29	445	June 18, 2002 e-mail re: Meeting with Michigan Regulators
30	447	Jan. 13, 1999 e-mail re: Parity Act
31	458	Dec. 22, 1998 e-mail re: Growth in 1999
32	461	Jan. 18, 1999 memorandum re: December and YTD Operating Results
33	481	Nov. 16, 2000 HFC Beneficial Memo re: October Results
34	491	Jan. 17, 2001 Household Press Release – Household International Reports Highest Full Year and Quarterly EPS in Its History; Tenth Consecutive Record Quarter; Full Year Earnings Per Share Up 16 Percent, to \$3.55; Full Year Net Income Rises to \$1.7 Billions of Receivable
35	503	July 18, 2001 Household Press Release – Household Reports Record Second Quarter Results; 12th Consecutive Record Quarter; Earnings Per Share Increase 16%, to \$.93; Net Income Rises 14%, to \$439 Million, Receivables Up 15%, to \$91.5 Billions of Revenues Grow 19%
36	504	Apr. 18, 2001 PR Newswire Press Release – Household Reports Record First Quarter Results; 11th Consecutive Record Quarter; – Earnings Per Share Increase 17%, to \$.91 – Net Income Rises 16%, to \$432 Million – Receivables Up 17%, Over First; Quarter of '00 to \$88 Billion
37	508	Jan. 31, 2002 e-mail string from William Aldinger to Gary Gilmer and Kenneth Robin re: NJ Audit
38	512	June 27, 2002 Memorandum re: Revised – New Reaging Policy
39	515	July 11, 2002 Memorandum re: CFRA Report
40	516	July 1, 2002 e-mail string re: Discussion Framework
41	533	Mar. 20, 1999 Memorandum re: Redoing HFC Mortgage Forms to Impose High Prepayment Penalties

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
42	550	Aug. 15, 2002 forwarded e-mail (Multistate Working Group Reply to HFC)
43	562	Mar. 15, 2002 faxed e-mail and Bulletin Board re: Charging Points and Origination Fees; Fax with attached e-mails and memos re: Points on Points
44	585	Jan. 2, 2002 fax of Household Letter 12/27/2001 re: Report of Examination, Household Finance Corporation III – License #000211; Branches 001-009
45	596	July 5, 2001 e-mail re: Very Important To Do Today
46	618	July 12, 2002 e-mail re: Reage Policies
47	635	HSBC Press Release – Household Reports Record First Quarter Net Income; First Quarter Earnings Per Share Rises 20%, to \$1.09; First Quarter Net Income Increases to \$511 Million; Managed Receivables Up 14.5%, to \$101.2 Billion
48	654	Sept. 4, 2001 e-mail string re: Retail Services Reage Policy
49	681	AG Costs, Sides Loans
50	694	Nov. 12, 2001 Household Review of Loss Reserves & Quality of Accounting Policies
51	706	HSBC Press Release – Household Reports Record Quarterly and Full-Year Net Income; Fourth Quarter Earnings Per Share Rises 14%, to \$1.17; Fourth Quarter Net Income Increases to \$549 Million; Receivables Up \$5.2 Billion in the Quarter, to \$100.8 Billion; Full Year
52	710	May 25, 2000 e-mail string re: Testimony on Predatory Lending by Ellen Seidman
53	712	Comptroller of the Currency Administrator of National Banks: Report of Examination Household Bank (SB), N.A. Las Vegas, NV
54	717	Household International 1999 Consolidated Internal Audit Plan
55	726	July 2, 2002 e-mail string re: Revise Reage Analysis
56	759	Compensation Committee Meeting Materials for January 29, 2001
57	772	Compensation Committee Meeting Materials for September 10, 2002
58	774	Compensation Committee Meeting Materials for January 28, 2002
59	779	Proposed Bonus Pool Concept
60	788	July 17, 2002 HSBC Press Release – Household Reports Record Second Quarter Results on Strong Receivables Growth

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
61	794	May 25, 2001 Memorandum re: March & April 2001 AG, BBB, & Regulatory Complaints
62	796	June 18, 2001 e-mail string re: Unauthorized Materials
63	799	June 5, 2001 forwarded e-mail (Equivalent Rate Sheet); E-mail from Ned Hennigan to Dana Williams re: Equivalent Rate Sheet
64	820	Investor Relations Report, November-December 2001
65	824	Nov. 1, 2000 Memorandum re: Story in the <i>St. Louis Post-Dispatch</i>
66	828	May 21, 2001 Fax/Letter/Notes (Washington's Analysis of Household Finance/Beneficial Complaints from May 2000-2001); Fax from Tom Schneider to Craig Castelein re: 5/17/01 Memo from Patrick Hardman to Chuck Cross
67	835	May 28, 1999 letter re: Late Fees; Parity Act; Communications
68	898	May 12, 2000 Memorandum re: Insurance Service Staff Meeting
69	899	May 21, 2002 fax re: June/July 1999 Fax with attached Presentation (First Mortgage Sales HFC Northeastern Division)
70	900	May 25, 2001 e-mail re: Comparable/Equivalent Rate
71	901	May 24, 2001 e-mail re: Effective Rate
72	903	May 22, 2001 fax (Finding the 30 Year Equivalent of HFC's Bi-Weekly Program) re: 1st Mortgage
73	916	Aug. 3, 1999 Household Memorandum re: July Monthly Letter
74	926	Apr. 3, 2002 e-mail re: Customer Complaints
75	956	Faxed Kansas Report of Examination; Fax from Carla Madura to Robin Allcock re: Examination of Kansas License
76	964	Apr. 23, 2002 letter re: Household Finance/Beneficial Settlement with State of California Department of Corporations
77	965	Nov. 27, 2001 e-mail string from Robin Allcock to Susan Mocerino re: AMPTA
78	967	Apr. 26, 2001 letter re: Field Visit Examination as of March 12, 2001
79	978	Oct. 17, 2001 PR Newswire Press Release – Household Reports Highest Quarterly Net Income in Its 123-Year History; Thirteenth Consecutive Record Quarter; Earnings Per Share Increases 14%, to \$1.07 – Net Income Rises to \$504 Million – Receivables Up 15%, to \$95.7 Billion

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
80	1007	Mar. 12, 2001 Household Memorandum re: Andrew Kahr
81	1013	June 24, 2002 e-mail re: Waite Park (54-5202), Minnesota Examination Response
82	1026	June 28, 2002 e-mail re: Kahr Memos
83	1038	Apr. 26, 2002 e-mail re: Revised Tier 1 & 2 Spreadsheets attaching Spreadsheet titled Highly Paid U.S. Employees – Tier 1 – Parachute Calculations
84	1048	Mar. 8, 2002 e-mail Re: VRU EZPay Attempted Enrollment Daily Report
85	1095	AE, Branch, District & Division 2000 Goals
86	1096	Sept. 10, 2002 Letter-Request for Waiver of Prepayment Penalty or Rescindment of Application Fee/Prepaid Finance Charge with attached Forbes Article; Letter re: An Urgent Request to Waive the PPP on a Mortgage Loaned Refinanced with HFC in February 2002
87	1100	Apr. 4, 2002 e-mail re: Legacy Restructures
88	1103	July 29, 2002 e-mail re: Collection Rewrites
89	1117	July 11, 2002 e-mail re: Reage Meeting Summary 7/9/2002
90	1148	Aug. 28, 2002 e-mail re: Follow-up to Yesterday's Meeting
91	1156	Aug. 30, 2002 e-mail re: Tom
92	1204	OTS Report of Examination, Aug. 27, 2001
93	1205	OTS Special Compliance Examination, Jan. 16, 2003
94	1307	Mar. 23, 2001 B&C News Article: Fed's Predatory Proposal Supported by Household
95	1333	May 17, 2002 letter re: Expanded Report of Examination
96	1338	Wells Fargo Bank Corporate Consumer Credit Administration
97	1351	Consumer Finance, WFF Due Diligence, Blazer Executive Summary by the Business Team, May 9, 2002
98	1371	Apr. 22, 2002 e-mail chain re: Project Blazer
99	1383	HHS Training Video Cassette
100	1385	Oct. 15, 2002 Elaine Markell email re Fitch Servicer Review
101	1387	Nov. 12, 2002 e-mail re: Re-age Fitch Servicer Presentation Slides
102	1391	Event Study for Household International, Inc. [7/30/99-3/28/03]
103	1395	HI Common Stock Estimate of Alleged Artificial Inflation for Quantification Including Leakage [7/30/99-10/11/02]

Ex.	Plaintiffs' Trial Exhibit (PX)	Description
104	1409	Dec. 1, 2001 Dow Jones Capital Markets Report: Barron's: Does It Add Up? A Look At Household's Accounting
105	1410	Dec. 11, 2001 Legg Mason Wood Walker, Inc. – Downgrading Rating to Market Performance; Part 3
106	1413	Aug. 15, 2002 Morgan Stanley – Equity Research Report – “Price Target to \$53 on Earnings Restatement”
107	1429	Aug. 27, 2002 <i>Bellingham Herald</i> Press Release – State Report Details HFC Lending Abuse; FINANCE: Copy of Suppressed Report Is Leaked to Several News Organizations
108	1435	Sept. 22, 2002 CIBC World Markets – Equity Research Report – HI: Lowering Price Target on Persistent Headline Risk, But Maintaining SP Rating
109	1446	May 31, 2002 <i>American Banker</i> article: For Household, New Fight and Small Victory, Household International Inc. Blocks Regulatory-Exam Report
110	1451	July 27, 2001 <i>Minneapolis Star Tribune</i> : article Lending Practices Criticized; St. Paul Man Tells Senate Panel Loan Was Path to Even More Debt
111	1469	April 5, 2002 memo re March Month End Results
112	1486	Timeline of Events
113	1589	Vozar Handwritten Notes

Ex.	Defendants' Trial Exhibit (DX)	Description
114	99	Household International 2002 Proxy Statement, dated April 9, 2002
115	758	Form 4 for Gary D. Gilmer, dated February 14, 2000 – Statement for February 2000
116	759	Form 4 for Gary D. Gilmer, dated October 19, 2000 – Statement for October 2000
117	763	Form 4 for Gary D. Gilmer, dated July 19, 2001 – Statement for July 2001
118	774	Form 4 for William F. Aldinger, dated August 23, 2000 – Statement for August 2000
119	775	Form 4 for William F. Aldinger, dated January 19, 2001 – Statement for January 2001
120	850	Household International Inc., Annual Report for the Fiscal Year Ended December 31, 1999 (Form 10-K) (March 28, 2000)

Ex.	Defendants' Trial Exhibit (DX)	Description
121	851	Household International Inc., Annual Report for the Fiscal Year Ended December 31, 2000 (Form 10-K) (March 28, 2001)
122	852	Household International Inc., Annual Report for the Fiscal Year Ended December 31, 2001 (Form 10-K) (March 13, 2002)

Ex.	Transcripts	Description
123		Trial Transcript Excerpts
124		Excerpts from the deposition of Charles Cross taken April 9, 2008
125		Excerpts from the deposition of Charles Cross taken Dec. 19, 2002 in <i>Luna v. Household Fin. Corp.</i> , No. C-02-1635 (W.D. Wash.)

Ex.	Trial Demonstratives	Description
126	PDX 40	Plaintiffs' Trial Demonstrative Exhibit re: Household's Reported Net Income and Amount Attributable to Improper Lending Practices
127	DDX 802-01	Defendants' Trial Demonstrative Exhibit re: Household's Sub-Certification Review Process for 10-K Filings
128	DDX 477-01-03	Defendants' Trial Demonstrative Exhibit re: Household Investors Weren't Harmed
129	DDX 567-01	Defendants' Trial Demonstrative Exhibit re: What the Case is and Isn't About

DATED: August 30, 2013

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DECLARATION OF SERVICE BY ELECTRONIC MAIL AND BY U.S. MAIL

I, the undersigned, declare:

1. That declarant is and was, at all times herein mentioned, a citizen of the United States and employed in the City and County of San Diego, State of California, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 655 W. Broadway, Suite 1900, San Diego, California 92101.

2. That on August 30, 2013, declarant caused to be served by electronic mail and by U.S. Mail to the parties the following document:

**PLAINTIFFS' APPENDIX OF EXHIBITS IN SUPPORT OF OPPOSITION TO
DEFENDANTS' RENEWED MOTIONS FOR JUDGMENT AS A MATTER OF LAW
PURSUANT TO RULE 50(b) OR, IN THE ALTERNATIVE, FOR A NEW TRIAL
PURSUANT TO RULE 59**

The parties' e-mail addresses are as follows:

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and by U.S. Mail to:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 30th day of August, 2013, at San Diego, California.

s/ TERESA HOLINDRAKE
TERESA HOLINDRAKE