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AUG 16 2005

MICHAEL W. DOBBINS
CLERK, U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LAWRENCE E. JAFFE PENSION PLAN,)
On Behalf of Itself and All Others)
Similarly Situated,)
)
Plaintiffs,)
)
v.)
)
HOUSEHOLD INTERNATIONAL, INC.,)
et al.,)
)
Defendants.)

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

Hon. Ronald A. Guzman
Magistrate Judge Nan R. Nolan

**JOINT MOTION AND [PROPOSED] ORDER FOR ENTRY OF
MODIFICATION TO STIPULATION AND ORDER REGARDING CLASS
ACTION CERTIFICATION ENTERED DECEMBER 3, 2004**

The parties, by and through their attorneys, hereby jointly move this Court for entry of the attached Modification to Stipulation and Order Regarding Class Action Certification Entered December 3, 2004, attached hereto as Exhibit 1. In support of their motion, the parties state as follows:

1. On October 8, 2004, the parties submitted a stipulation and order (the "Stipulation") stipulating to the certification of the following Class:

All persons who purchased or otherwise acquired the securities of Household International, Inc. (as defined in the [Corrected] Amended Consolidated Class Action Complaint for Violation of the Federal Securities Laws) ("Household") between October 23, 1997 and October 11, 2002 ("Class Period") with respect to claims brought pursuant to §§10 and 20 of the Securities Exchange Act of 1934 and Securities and Exchange Commission Rules promulgated thereunder.

2. This Court approved and entered the Stipulation on December 3, 2004 and certified the above Class. The Stipulation and the Court's Order approving the

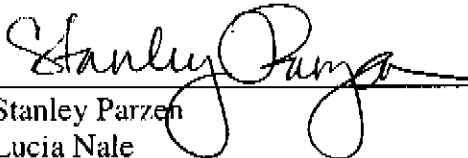
Stipulation permitted the defendants to move to decertify the class in part based upon an argument that the claims of a portion of the Class were time-barred. The Stipulation also preserved the right of defendants to make any substantive arguments concerning the claims of the named plaintiffs and/or the Class. Because the Class was subject to being decertified in part, notice of class certification was not sent at the time the Court entered the order certifying the Class on December 3, 2004.

3. As described in Exhibit 1, the parties seek, by agreement, to modify the terms of the Stipulation and respectfully request that this Court enter the [Proposed] Order Approving Modification to Stipulation and Order Regarding Class Action Certification Entered December 3, 2004, attached hereto as Exhibit 2. In the Modification, the defendants waive their right to decertify in part the Class as set forth in the Stipulation. The parties request that the Court approve the Modification to the Stipulation.

4. In light of the requested modification, it is now appropriate to send notice to the Class. Defendants, in particular Household, will cooperate in providing information to Class counsel to enable Class counsel to provide notice. In order to limit expense, the parties propose that the notice of class certification be sent at the same time that notice of preliminary approval of the settlement with Arthur Andersen LLP is sent.

Dated: August 15, 2005

Respectfully submitted,


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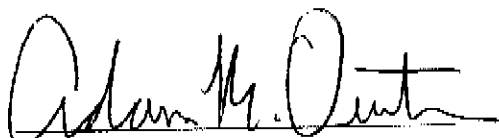
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EXHIBIT 1

**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.)	Magistrate Judge Nan R. Nolan
)
HOUSEHOLD INTERNATIONAL, INC., et)	
al.,)	
)
Defendants.)	
)
)

MODIFICATION TO STIPULATION AND ORDER REGARDING CLASS ACTION
CERTIFICATION ENTERED DECEMBER 3, 2004

WHEREAS, lead plaintiffs and class representatives Glickenhous & Company, PACE Industry Union-Management Pension Fund and the International Union of Operating Engineers Local No. 132 Pension Plan moved for class certification by motion dated June 30, 2004;

WHEREAS, the parties entered into a stipulation (the "Stipulation"), attached hereto as Exhibit A, stipulating to the certification of a class of all persons who purchased or otherwise acquired the securities of Household International, Inc. (as defined in the [Corrected] Amended Consolidated Class Action Complaint for Violation of the Federal Securities Laws) ("Household") between October 23, 1997 and October 11, 2002 ("Class Period") only with respect to claims brought pursuant to §§10(b) and 20(a) of the Securities Exchange Act of 1934 and Securities and Exchange Commission Rules promulgated thereunder (the "Class"). Excluded from the Class were defendants Household, William F. Aldinger, David A. Schoenholz, Gary Gilmer, J.A. Vozar (collectively the "Household Defendants"), Arthur Andersen LLP, members of the defendants' immediate families, any person, firm, trust, corporation, officer, director or other individual or entity in which any defendant has a controlling interest or which is related to or affiliated with any defendant, and the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party.

WHEREAS, by Order dated December 3, 2004, this Court "having fulfilled its independent duty to ensure that all of the requirements of Fed. R. Civ. P. 23 are met and having found the requirements are satisfied and that the interest of the unnamed class members will be adequately protected by the class representative and class counsel," entered an order certifying the Class.

WHEREAS, in paragraph 3 of the Stipulation, the defendants stipulated that they waived any right to move to decertify the Class, except the defendants retained any rights they possessed to move no earlier than January 13, 2006, and no later than April 13, 2006, to decertify so much of the Class as consists of the claims of those persons who acquired Household securities between October

23, 1997 and August 18, 1999, on the grounds that the Sarbanes-Oxley Act of 2002 does not revive certain claims that otherwise would have been time-barred.

IT IS HEREBY STIPULATED AND AGREED that:

1. Defendants waive their rights under paragraph 3 of the Stipulation to move no earlier than January 13, 2006 and no later than April 13, 2006 to decertify so much of the class certified as consists of the claims of those persons who acquired Household securities between October 23, 1997 and August 18, 1999 on the grounds that the Sarbanes-Oxley Act of 2002 does not revive certain claims that otherwise would have been time-barred. All other terms of the Stipulation remain in full force and effect including specifically paragraph 4 of the Stipulation;

2. This stipulation is for use in this case only, and shall not be used by any party to oppose, defer or otherwise respond to or support any or all of the three motions filed by the Household Defendants on June 30, 2005. Nothing in this stipulation shall be deemed to constitute an acknowledgment by lead plaintiffs and class representatives that there is any merit to any or all of the motions filed by the Household Defendants on June 30, 2005, or by the Household Defendants that there is any merit to any opposition to any or all of those motions which such lead plaintiffs and class representatives may hereafter file. The parties specifically agree that this stipulation shall not be (1) relied upon for purposes of anything other than as set forth herein or (2) utilized in any way in any other action.

STIPULATED AND AGREED TO BY:

Lead Plaintiffs and Class Representatives
Glickenhaus & Company,
PACE Industry Union-Management Pension,
International Union of Operating Engineers
Local No. 132 Pension Plan

By: Azra Mehdi
One of their Attorneys

Dated: July 18, 2005

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Dated: _____

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STIPULATED AND AGREED TO BY:

Lead Plaintiffs and Class Representatives
Glickenhous & Company,
PACE Industry Union-Management Pension,
International Union of Operating Engineers
Local No. 132 Pension Plan

Defendants Household International, Inc.
Household Finance Corporation, William F.
Aldinger, David A. Schoenholz, Gary Gilmer
and J.A. Vozar

By: _____
One of their Attorneys

By:  _____
One of their Attorneys

Dated: _____

Dated: 7/18/05

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