

**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.)	
_____)	

**LEAD PLAINTIFFS' STATUS REPORT: SEPTEMBER 21, 2005 STATUS
CONFERENCE**

A status hearing has been set for September 21, 2005. Lead plaintiffs hereby submit this Status Report to update the Court on the status of discovery matters. Plaintiffs presented a draft joint status report to defendants, but defendants declined to join in a submission.

A. Summary of the Case

Plaintiffs refer the Court to the Joint Status Report and [Proposed] Rule 26(f) Discovery Plan (“Rule 26(f) Plan”) filed May 20, 2004 for a summary of the case. In addition, on December 3, 2004, the Court entered an order certifying a Class of all claims under §§10(b) and 20(a) of the Exchange Act of 1934 for the period October 23, 1997 to October 11, 2002. On August 22, 2005, the Court entered an order granting the Modification to Stipulation and Order Regarding Class Action Certification, which eliminated a contingency allowing defendants to move for decertification of the Class.

B. Status of Motions Pending Before This Court

1. Motion to Compel Responses to First Set of Interrogatories

Plaintiffs filed this motion on September 6, 2005. Pursuant to an agreed-upon briefing schedule, defendants’ response is due September 20 and plaintiffs’ reply is due September 27, 2005.

2. Motion to Compel the Household Defendants to Produce Documents Improperly Withheld on the Basis of Privilege

After plaintiffs filed this motion on June 6, 2005, defendants revised their privilege log *for a fourth time*, produced 21 documents entirely and 12 partially from those previously withheld as privileged. Briefing was completed July 21, 2005. Plaintiffs take issue with defendants’ submission of select privileged documents, instead of producing all disputed documents *in camera*.

3. Motion to Compel the Household Defendants to Produce Electronic Evidence in Native Electronic Format

After plaintiffs’ motion was filed on June 6, 2005, the parties resolved issues regarding production of spreadsheets and this part of the motion is withdrawn. The parties could not reach

agreement on custodians or search terms relating to emails. Briefing was completed July 21, 2005. At the August 24, 2005 hearing, defendants acknowledged that they had not yet begun searches even for the agreed-upon custodians and search terms. To date, no production has occurred.

4. Motion to Compel the Household Defendants to Produce Source Logs for Documents Produced in This Litigation

Plaintiffs filed this motion on June 6, 2005 seeking to compel source logs as well as verification that document production pursuant to individual requests was complete. Following plaintiffs' filing, defendants produced source logs. Plaintiffs withdrew that part of the motion. Briefing on the remainder of the motion was completed by July 21, 2005.

At the August 24, 2005 hearing, the Court ordered defendants to file by September 2, 2005 a supplemental response verifying completion of document production. Instead of filing a response, defendants sent a letter to the Court describing generally their efforts in gathering documents. Defendants, however, failed to verify the completion of any individual request. It is plaintiffs' position that this letter does not comply with the Court's August 24, 2005 order or respond to plaintiffs' motion.

5. Household Defendants' Motion to Amend the Protective Order

Briefing completed on March 11, 2005; ruling pending.

C. Status of Discovery

1. Document Production

Defendants have not completed document production and have failed to verify the completion of production with respect to any individual request. Plaintiffs anticipate propounding additional document requests.

2. Additional Motions to Compel

Plaintiffs anticipate having to file additional motions to compel defendants to produce documents responsive to plaintiffs' document requests shortly due to defendants' refusal to produce various documents.

3. Depositions

Plaintiffs have taken three depositions and are scheduled to take two additional depositions on October 6 and 7, 2005. As detailed in the Rule 26(f) Plan, plaintiffs intend to seek modification of the Fed. R. Civ. P. 30(a)(2)(a) limitation on depositions to permit 50 depositions. Plaintiffs believe they have strong support to make this request.

4. Additional Interrogatories

Due to the complex issues in this case, plaintiffs expect to seek leave to serve additional interrogatories beyond the limitation set by Fed. R. Civ. P. 33.

5. Fact Discovery Cut-Off

The fact discovery cut-off is currently scheduled for January 13, 2006. Due to the large amount of outstanding discovery and ongoing delay in the document production pending resolution of the discovery motions before this Court, as well as the resolution of motions to dismiss before Judge Guzman, plaintiffs believe that a short extension of the fact discovery cut-off will be necessary. Plaintiffs propose a four-month extension to May 12, 2006.

DATED: September 16, 2005

Respectfully submitted,

/ S /

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

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 Francisco, over the age of 18 years, and not a party to or interested party in the within action; that declarant's business address is 100 Pine Street, Suite 2600, San Francisco, California 94111.

2. That on September 16, 2005, declarant served by U.S. Mail and by email the: **LEAD PLAINTIFFS' STATUS REPORT: SEPTEMBER 21, 2005 STATUS CONFERENCE** to the parties listed on the attached Service List. The parties' email addresses are as follows:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 16th day of September, 2005, at San Francisco, California.

/s/

CAROLYN BURR

HOUSEHOLD INTERNATIONAL (LEAD)

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