

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

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CLERK
U.S. DISTRICT COURT

DOCKETED

DEC 10 2002

LAWRENCE E. JAFFE, Pension Plan)
and on behalf of all others)
similarly situated,)

Plaintiff,)

v.)

HOUSEHOLD INTERNATIONAL, INC.)
ARTHUR ANDERSEN, L.L.P.,)

Defendants.)

No. 02 C 5893

Judge Ronald A. Guzman

MARC ABRAMS, individually and on)
behalf of all others similarly situated,)

Plaintiff,)

v.)

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

Defendants.)

No. 02 C 5934

Judge Joan H. Lefkow

EISBERRY HOLDINGS, LTD., on)
behalf of itself and all others)
similarly situated,)

Plaintiff,)

v.)

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

Defendants.)

No. 02 C 6130

Judge George M. Marovich

NOTICE OF FILING

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

JEFFREY P. JANNETT, on)
behalf of himself and all others)
similarly situated,)

Plaintiff,)

v.)

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

Defendants.)

No. 02 C 6326

Judge Marvin E. Aspen

BERNARD DOLOWICH, on)
behalf of himself and all others)
similarly situated,)

Plaintiff,)

v.)

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

Defendants.)

No. 02 C 6352

Judge Rebecca R. Pallmeyer

RONALD H. HANSCHMAN on)
behalf of himself and all others)
similarly situated,)

Plaintiff,)

v.)

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

Defendants.)

No. 02 C 6859

Judge Charles R. Norgle

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

GERALD M. FRIEDEL, on behalf of)	
himself and all others similarly situated,)	
)	
Plaintiff,)	
)	
v.)	
)	
HOUSEHOLD INTERNATIONAL, INC.,)	
<i>et al.</i> ,)	
Defendants.)	
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No. 02 C 7067

Judge John W. Darrah

To: Counsel on the Attached Service List

PLEASE TAKE NOTICE that on Friday, December 6, 2002, we filed with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, Illinois, the *The Glickenhau Institutional Group's Memorandum of Points and Authorities in Opposition to Natcan Investment Management, Inc.'s Motion for Appointment as Lead Plaintiff*, a copy of which is hereby served upon you.

Dated: December 6, 2002

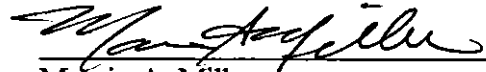
Respectfully submitted,
Plaintiffs

By: 

Marvin A. Miller
Jennifer Winter Sprengel
Lori A. Fanning
MILLER FAUCHER and CAFFERTY LLP
30 North LaSalle Street, Suite 3200
Chicago, Illinois 60602
(312) 782-4880

CERTIFICATE OF SERVICE

I, Marvin A. Miller, one of the attorneys for plaintiffs, hereby certify that I caused the *The Glickenhau Institutional Group's Memorandum of Points and Authorities in Opposition to Natcan Investment Management, Inc.'s Motion for Appointment as Lead Plaintiff* to be served on all counsel on the attached service list by placing a copy of the same in the United States Mail at 30 North LaSalle Street, Chicago, Illinois this 6th day of December, 2002.



Marvin A. Miller

SERVICE LIST

Nathan P. Eimer
Adam Deutsch
EIMER STAHL KLEVORN & SOLBERG
224 S. Michigan Ave.
Suite 110
Chicago, IL 60605

Stanley Parzen
Lucia Nale
MAYER, BROWN, ROWE & MAW
190 South LaSalle Street
Chicago, Illinois 60603

William S. Lerach
Darren J. Robbins
**MILBERG WEISS BERSHAD
HYNES & LERACH LLP**
401 B Street
Suite 1700
San Diego, California 92101
(619) 231-1058

Patrick J. Coughlin
Azra Z. Mehdi
Luke O. Brooks
**MILBERG WEISS BERSHAD
HYNES & LERACH LLP**
100 Pine Street, Suite 2600
San Francisco, California 94111
(415) 288-4545

Paul J. Geller
Howard K. Coates, Jr.
Jack Reise
**CAULEY, GELLER, BOWMAN
& COATES, LLP**
2255 Glades Road, Suite 421A
Boca Raton, Florida 33431
(561) 750-3000

Andrew L. Barroway
Stuart L. Berman
Darren J. Check
SCHIFFRIN & BARROWAY, LLP
Three Bala Plaza East, Suite 400
Bala Cynwyd, Pennsylvania 19004
(610) 667-7706

Corey D. Holzer
Michael I. Fistel, Jr.
HOLZER & HOLZER
6135 Barfield Road, Suite 102
Atlanta, Georgia 30328
(404) 847-0085

John G. Emerson, Jr.
THE EMERSON FIRM
P.O. Box 25336
Little Rock, Arkansas 72221
(501) 907-2555

Gary L. Specks
203 North LaSalle Street
Suite 2100
Chicago, Illinois 60601
(312) 558-1585

Carol V. Gilden
Michael E. Moskovitz
**MUCH SHELIST FREED DENENBERG
AMENT & RUBENSTEIN, P.C.**
200 North LaSalle Street
Suite 2100
Chicago, Illinois 60601
(312) 346-3100

Mary Jane Edelstein Fait
**WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLC**
656 West Randolph Street
Suite 500W
Chicago, Illinois 60661
(312) 466-9200

Robert D. Allison
ROBERT D. ALLISON & ASSOCIATES
122 South Michigan Avenue
Suite 1850
Chicago, Illinois 60603
(312) 427-7600

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DOCKETED
DEC 10 2002

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

No. 02-C-5893 ✓

Plaintiff,

CLASS ACTION

vs.

Judge Ronald A. Guzman
Magistrate Judge Nan R. Nolan

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

MARC ABRAMS, On Behalf of Himself and All
Others Similarly Situated,

No. 02-C-5934

Plaintiff,

CLASS ACTION

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

EISBERRY HOLDINGS, LTD., On Behalf of
Itself and All Others Similarly Situated,

No. 02-C-6130

Plaintiff,

CLASS ACTION

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

[Caption continued on following page.]

**THE GLICKENHAUS INSTITUTIONAL GROUP'S
MEMORANDUM OF POINTS AND AUTHORITIES IN OPPOSITION TO
NATCAN INVESTMENT MANAGEMENT, INC.'S
MOTION FOR APPOINTMENT AS LEAD PLAINTIFF**

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JEFFREY P. JANNETT, On Behalf of Himself
and All Others Similarly Situated,

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

No: 02-C-6326

CLASS ACTION

BERNARD DOLOWICH, On Behalf of Himself
and All Others Similarly Situated,

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

No. 02-C-6352

CLASS ACTION

RONALD A. HANSCHMAN, On Behalf of
Himself and All Others Similarly Situated,

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

No: 02-C-6859

CLASS ACTION

GERALD M. FRIEDEL, On Behalf of Himself and
All Others Similarly Situated,

Plaintiff,

vs.

HOUSEHOLD INTERNATIONAL, INC., et al.,

Defendants.

No. 02-C-7067

CLASS ACTION

I. INTRODUCTION

Proposed lead plaintiff the Glickenhau Institutional Group¹ respectfully submits this memorandum in opposition to Natcan Investment Management, Inc.'s ("Natcan") competing motion for appointment as lead plaintiff. On October 18, 2002, three competing motions for appointment as lead plaintiff were filed by: (1) the Glickenhau Institutional Group; (2) Natcan; and (3) StoneRidge Investment Partners LLC ("StoneRidge"). On October 25, 2002, StoneRidge withdrew its motion seeking appointment as lead plaintiff, instead supporting the motion of the Glickenhau Institutional Group.

Under the standards set forth in the Private Securities Litigation Reform Act of 1995 ("PSLRA" or the "Reform Act"), the most adequate plaintiff is presumed to be the movant with the largest financial interest in the litigation who otherwise satisfies the requirements of Fed. R. Civ. P. 23 ("Rule 23"). 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(bb). The Glickenhau Institutional Group satisfies these requirements of the PSLRA and is the "most adequate plaintiff." The Glickenhau Institutional Group's losses of \$6,061,000 dwarf those of the remaining movant, Natcan, whose losses are only \$1,882,475. The Glickenhau Institutional Group has the "largest financial interest in the relief sought" and satisfies all of the requirements of the PSLRA and Rule 23. 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(bb).

Accordingly, the Glickenhau Institutional Group is presumptively the most adequate plaintiff and should be appointed lead plaintiff in this action. 15 U.S.C. §78u-4(a)(3)(B)(iii)(I).

II. ARGUMENT

A. **The PSLRA Establishes a Three-Step Procedure for the Selection of Lead Plaintiff to Oversee Class Actions Brought Under the Federal Securities Laws**

Section 21D of the PSLRA provides that, in securities class actions, courts "*shall appoint as lead plaintiff* the member or members of the purported plaintiff class that the court determines to be the most capable of adequately representing the interests of class members" 15 U.S.C. §78u-4(a)(3)(B)(i) (emphasis added). The "most capable" plaintiff – and hence the lead plaintiff – is the one who has the

¹ The Glickenhau Institutional Group is comprised of three institutional investors: Glickenhau & Co., PACE Industry Union-Management Pension Fund and International Union of Operating Engineers Local No. 132 Pension Plan.

greatest financial stake in the outcome of the case, so long as he meets the requirements of Rule 23. *In re Cavanaugh*, 306 F.3d 726, 729 (9th Cir. 2002).

In *In re Cavanaugh*, 306 F.3d 726 (9th Cir. 2002), the most recently decided circuit court case addressing the process of appointment of lead plaintiff in securities class actions, the court describes the three-step process for selection of lead plaintiff, as set forth in the PSLRA.

First, §21D(a)(3)(A)(i) of the PSLRA provides that, within 20 days after the date on which a class action is filed under the PSLRA, the plaintiff shall publish a notice advising potential plaintiff class members (1) of the pendency of the action, the claims, and the purported class period and (2) that any member of the class may file a motion with the court to serve as lead plaintiff not later than 60 days from the publication of the notice. 15 U.S.C. §78u-4(a)(3)(A)(i); *see also Cavanaugh*, 306 F.3d at 729 (the first step in the lead plaintiff process is to publicize the pendency of the action, the class period and the claims made).

Second, §21D(a)(3)(B)(i) of the PSLRA directs the Court to consider any motions brought by class members seeking to be appointed as lead plaintiff filed in response to any such notice no later than 90 days after the date of publication, or as soon as practicable after the Court decides any pending motion to consolidate. 15 U.S.C. §78u-4(a)(3)(B)(i).² Under this provision of the PSLRA, this Court "shall" appoint the "most adequate plaintiff" to serve as lead plaintiff and shall presume that plaintiff is the person, or group of persons, that (1) has either filed a complaint or moved for lead plaintiff in response to a notice; (2) "has the largest financial interest in the relief sought;" and (3) satisfies the typicality and adequacy requirements of Rule 23. 15 U.S.C. §78u-4(a)(3)(B)(iii)(I). *See Cavanaugh*, 306 F.3d at 729-30 (the second step of the lead plaintiff process requires the court to consider the losses suffered by the plaintiffs); *Johnson v. Tellabs, Inc.*, Case No. 02 C 4356, 2002 U.S. Dist. LEXIS 18394, at **4-6 (N.D. Ill. Sept. 26, 2002) (appointing applicant with largest financial interest as lead plaintiff).

Finally, as a third step, after the presumptive lead plaintiff has been identified, other class members have "an opportunity to rebut the presumptive lead plaintiff's showing that it satisfies Rule 23's typicality and adequacy requirements." *Cavanaugh*, 306 F.3d at 730 (citation omitted).

² By Minute Order of November 26, 2002, this Court recommended that the parties' joint oral motion to consolidate be granted. The Glickenhau Institutional Group notes that all competing lead plaintiff applicants made written motions to consolidate the cases, and defendants orally stated at the November 26, 2002 hearing that they did not object to consolidation.

Thus, in determining who will serve as lead plaintiff in securities class actions, the Court must compare the financial stakes of the various candidates who filed timely motions for appointment as lead plaintiff and decide who has the most to gain from the lawsuit. *Id.* at 730 & n.4. Then, based on information provided by that plaintiff in pleadings and declarations, the Court is to determine whether that plaintiff satisfies the requirements of Rule 23(a) – in particular, the requirements of "typicality" and "adequacy." *Id.* at 730. If so, that plaintiff becomes the presumptively most adequate plaintiff, and, absent credible evidence that he does not satisfy the requirements of Rule 23, must be appointed lead plaintiff. *Id.* at 730 & 739.

B. The Glickenhau Institutional Group Is the Only Movant to Meet Each of the PSLRA Requirements and Is the Most Adequate Plaintiff

First, the Glickenhau Institutional Group has filed a timely motion for appointment as lead plaintiff. *See* Declaration of Marvin A. Miller in Support of the Glickenhau Institutional Group's Motion for Appointment as Lead Plaintiff and for Approval of Lead Plaintiff's Choice as Lead Counsel, filed October 18, 2002 ("Miller Decl."), Ex. C.

Second, the Glickenhau Institutional Group unequivocally has the largest financial interest in the relief sought by the class. *See* Miller Decl., Exs. A and B. In their papers, the movants seeking appointment as lead plaintiff reported the following losses:

<u>Movant</u>	<u>Stated losses</u>
Glickenhau Institutional Group	\$6,061,000
Natcan	\$1,882,475
StoneRidge (motion withdrawn)	\$ 885,000

The Glickenhau Institutional Group's losses are 322% larger than the next highest movant. See, e.g., Johnson, 2002 U.S. Dist. LEXIS 18394, at **5-6 (applicant with the largest financial interest in the relief sought appointed lead plaintiff); *accord Mayo v. Apropos Tech., Inc.*, [Current Binder] Fed. Sec. L. Rep. (CCH) ¶91,717, at 98,299 (N.D. Ill. 2002) (same). Accordingly, the Glickenhau Institutional Group *alone* satisfies step two of the inquiry.

Finally, as discussed in its moving brief, the Glickenhau Institutional Group "otherwise satisfies the requirements of Rule 23 of the Federal Rules of Civil Procedure" because its claims raise common issues of law and fact typical of the class, and the Glickenhau Institutional Group will fairly and adequately

protect the interests of the class. See 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(cc); see also Memorandum of Law in Support of the Glickenhau Institutional Group's Motion for Appointment as Lead Plaintiff and for Approval of Lead Plaintiff's Choice as Lead Counsel, filed October 18, 2002, at 7-9. In addition, the Glickenhau Institutional Group has selected counsel highly experienced in prosecuting securities class actions such as this.

Accordingly, the Glickenhau Institutional Group is presumptively the most adequate plaintiff and should be appointed lead plaintiff and its choice of lead counsel approved.

III. CONCLUSION

For all the foregoing reasons and the reasons outlined in its initial moving papers, the Glickenhau Institutional Group is the "most adequate plaintiff" under the Reform Act. Accordingly, its motion for appointment as lead plaintiff and for approval of selection of lead counsel should be granted and Natcan's competing motion for appointment of lead plaintiff denied.

DATED: December 6, 2002



MARVIN A. MILLER
JENNIFER WINTER SPRENGEL
LORI A. FANNING
MILLER FAUCHER AND CAFFERTY LLP
30 North LaSalle Street, Suite 3200
Chicago, IL 60602
Telephone: 312/782-4880
312/782-4485 (fax)

***Proposed Liaison Counsel and
Designated Local Counsel***

WILLIAM S. LERACH
MILBERG WEISS BERSHAD
HYNES & LERACH LLP
401 B Street, Suite 1700
San Diego, CA 92101
Telephone: 619/231-1058
619/231-7423 (fax)

**PATRICK J. COUGHLIN
AZRA Z. MEHDI
LUKE O. BROOKS
MILBERG WEISS BERSHAD
HYNES & LERACH LLP
100 Pine Street, Suite 2600
San Francisco, CA 94111
Telephone: 415/288-4545
415/288-4534 (fax)**

Proposed Lead Counsel for Plaintiffs