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**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.)	
_____)	

**ORDER PRELIMINARILY APPROVING SETTLEMENT WITH ARTHUR
ANDERSEN LLP AND PROVIDING FOR NOTICE**

WHEREAS, a consolidated class action is pending before the Court entitled *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated) (the “Litigation”);

WHEREAS, the Court has received the Stipulation of Settlement with Arthur Andersen LLP dated as of June 16, 2005 (the “Stipulation”), that has been entered into by the Lead Plaintiffs and Andersen, and the Court has reviewed the Stipulation and its attached Exhibits;

WHEREAS, the parties having made application, pursuant to Federal Rule of Civil Procedure 23(e), for an order preliminarily approving the settlement of this Litigation as to Andersen, in accordance with the Stipulation which, together with the Exhibits annexed thereto sets forth the terms and conditions for a proposed settlement of the Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto; and

WHEREAS, all defined terms contained herein shall have the same meanings as set forth in the Stipulation;

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. This Order incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Litigation and over all parties to the Litigation, including all Members of the Class.
3. The Court does hereby preliminarily approve the Stipulation and the settlement set forth therein, subject to further consideration at the Settlement Hearing described below.
4. A hearing (the “Settlement Hearing”) shall be held before this Court on March 16, 2006, at 10:00 a.m., at the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois, to determine whether the proposed settlement of the Litigation on the terms and conditions

provided for in the Stipulation is fair, reasonable and adequate to the Class and should be approved by the Court; and whether a Judgment as defined in ¶1.13 of the Stipulation should be entered herein. The Court may adjourn the Settlement Hearing without further notice to Members of the Class.

5. The Court approves, as to form and content, the Notice of Pendency and Proposed Partial Settlement of Class Action (the "Notice") and Summary Notice for publication annexed as Exhibits A-1 and A-2 hereto, and finds that the mailing and distribution of the Notice and publishing of the Summary Notice substantially in the manner and form set forth in ¶¶6-7 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due process, and is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all Persons entitled thereto.

6. Lead Counsel are hereby authorized to retain the firm of Gilardi & Co. LLC ("Claims Administrator") to supervise and administer the notice procedure as more fully set forth below:

(a) Not later than January 24, 2006 (the "Notice Date"), Lead Counsel shall cause a copy of the Notice substantially in the form annexed as Exhibit A-1, to be mailed by first class mail to all Class Members who can be identified with reasonable effort;

(b) Not later than January 25, 2006, Lead Counsel shall cause the Summary Notice to be published once in *USA Today*; and

(c) At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall cause to be served on Andersen's counsel and filed with the Court proof, by affidavit or declaration, of such mailing and publishing.

7. Nominees who purchased or acquired Household securities during the period beginning October 23, 1997 through October 11, 2002, inclusive, shall send the Notice to all beneficial owners of such Household securities within ten (10) days after receipt thereof, or send a

list of the names and addresses of such beneficial owners to the Claims Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall promptly mail the Notice to such beneficial owners. Lead Counsel shall, if requested, reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-pocket expenses incurred in providing notice to beneficial owners who are Class Members out of the Class Notice and Administration Fund, which expenses would not have been incurred except for the sending of such Notice, subject to further order of this Court with respect to any dispute concerning such compensation.

8. All Members of the Class shall be bound by all determinations and judgments in the Litigation concerning the settlement, whether favorable or unfavorable to the Class.

9. Any Person who desires to request exclusion from the Class shall do so no later than February 28, 2006, in the manner described in the Notice. All Persons who submit valid and timely Requests for Exclusion in the manner set forth in the Notice shall have no rights under the Stipulation, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or the Judgment entered in the Litigation.

10. Any Member of the Class may enter an appearance in the Litigation, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance, they will be represented by Lead Counsel.

11. Any Member of the Class may appear and show cause, if he, she or it has any reason, why the proposed settlement of the Litigation should or should not be approved as fair, reasonable and adequate, or why a judgment should or should not be entered thereon; provided, however, that no Class Member or any other Person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, or the Judgment to be entered thereon approving the same, unless that Person has delivered by hand or sent by first class mail written objections and copies of any papers and briefs such that they are received on or before February 28,

2006, by: Lerach Coughlin Stoia Geller Rudman & Robbins LLP, Joy Ann Bull, 655 West Broadway, Suite 1900, San Diego, California 92101; Mayer, Brown, Rowe & Maw LLP, Stanley J. Parzen, 71 South Wacker Drive, Chicago, IL 60606, and filed said objections, papers and briefs with the Clerk of the United States District Court for the Northern District of Illinois, Eastern Division, 219 South Dearborn Street, Chicago, IL 60604, on or before February 28, 2006. Any Member of the Class or any other Person who does not make his, her or its objection in the manner provided shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the proposed settlement as set forth in the Stipulation, unless otherwise ordered by the Court.

12. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.


13. All papers in support of the settlement shall be filed and served seven (7) calendar days prior to the Settlement Hearing.

14. All reasonable expenses incurred in identifying and notifying Class Members, as well as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the settlement is not approved by the Court, or otherwise fails to become effective, neither the Lead Plaintiffs nor Lead Counsel shall have any obligation to repay any amounts actually and properly disbursed from the Class Notice and Administration Fund up to the amount of \$50,000.

15. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by Andersen or its Related Parties of the truth of any of the allegations in the Litigation, or of any liability, fault, or wrongdoing of any kind.

16. The Court reserves the right to adjourn the date of the Settlement Hearing without further notice to the Members of the Class, and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement. The Court may approve the settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the Class.

DATED: 1/17/06



THE HONORABLE RONALD A. GUZMAN
UNITED STATES DISTRICT JUDGE

Submitted by:

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LERACH COUGHLIN STOIA GELLER
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JOY ANN BULL

s/ JOY ANN BULL
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619/231-7423 (fax)

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312/782-4485 (fax)

Liaison Counsel

LAW OFFICES OF LAWRENCE G. SOICHER
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New York, NY 10165
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212/697-0877 (fax)

Attorneys for Plaintiff

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EXHIBIT A-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,)	
Plaintiff,)	<u>CLASS ACTION</u>
vs.)	Judge Ronald A. Guzman
)	Magistrate Judge Nan R. Nolan
HOUSEHOLD INTERNATIONAL, INC., et)	
al.,)	
Defendants.)	
_____)	

**NOTICE OF PENDENCY AND PROPOSED PARTIAL SETTLEMENT OF CLASS
ACTION**

EXHIBIT A-1

IF YOU PURCHASED OR OTHERWISE ACQUIRED HOUSEHOLD INTERNATIONAL, INC. ("HOUSEHOLD") SECURITIES DURING THE PERIOD BEGINNING OCTOBER 23, 1997 THROUGH OCTOBER 11, 2002, INCLUSIVE, YOU COULD GET A PAYMENT FROM A CLASS ACTION SETTLEMENT.

The Lead Plaintiffs in this case have brought a lawsuit against Household International, certain of its affiliated persons and Arthur Andersen LLP ("Andersen"). The lawsuit has been brought as a class action and the Court has certified a Class of certain persons who purchased or otherwise acquired Household securities between October 23, 1997 and October 11, 2002 inclusive. This notice is to inform you of the certification of the Class and the settlement of the claims made in the lawsuit against Andersen.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Security and Time Period: Household securities purchased or acquired between October 23, 1997 and October 11, 2002.

Settlement Fund: \$1,500,000 in cash from Arthur Andersen LLP ("Andersen"). The Settlement Fund will be held in escrow and will be distributed at the time of a future settlement or judgment against the remaining defendants. Because the Class is comprised of hundreds of thousands of members, an attempt to process claims and distribute the Settlement Fund would cost more than the amount obtained in this settlement. This is a partial settlement only and this class action will continue to be litigated against the other defendants listed in Question 1 below.

Reasons for Settlement with Andersen: Avoids the risks associated with continued litigation, including the danger of no recovery from Andersen.

If the Case Against Andersen Had Not Settled: Continuing with the case against Andersen could have resulted in a finding that Andersen was not liable for the alleged violations of the securities laws. In addition, the two sides do not agree on the amount of money that could have been won if Lead Plaintiffs prevailed against Andersen at trial. The parties disagree about: (1) the method for determining whether Household securities were artificially inflated during the relevant

period; (2) the amount of any such inflation; (3) the extent that various facts alleged by Lead Plaintiffs were materially false or misleading; and (4) the extent that various facts alleged by Lead Plaintiffs influenced the trading prices of Household securities during the relevant period.

Attorneys' Fees and Expenses: Court-appointed Lead Counsel will not seek attorneys' fees at this time.

Deadlines:

Request Exclusion: February 28, 2006

File Objection: February 28, 2006

Court Hearing on Fairness of Settlement: March 16, 2006

More Information: www.gilardi.com or

Claims Administrator:
Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

Lead Counsel:
Rick Nelson
Shareholder Relations
Lerach Coughlin Stoia Geller
Rudman & Robbins LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

- Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

EXCLUDE YOURSELF

Get no payment. This is the only option that allows you to participate in another lawsuit against Andersen relating to the legal claims in this case, and, if the Court does not permit another opportunity to request exclusion, it may be the only option that allows you to participate in another lawsuit against the remaining defendants.

OBJECT

You may write to the Court if you don't like this settlement.

GO TO A HEARING

You may ask to speak in Court about the fairness of the settlement.

DO NOTHING

Get no payment.

- These rights and options — *and the deadlines to exercise them* — are explained in this Notice.
- The Court in charge of this case must decide whether to approve the settlement.

BASIC INFORMATION

1. Why Did I Get This Notice Package?

You or someone in your family may have purchased or acquired Household securities between October 23, 1997 and October 11, 2002.

The Court approved sending you this Notice because you have a right to know about the proposed partial settlement of this lawsuit and about all of your options before the Court decides whether to approve the settlement with Andersen.

This package explains the lawsuit, the settlement and your legal rights.

The Court in charge of the case is the United States District Court for the Northern District of Illinois, Eastern Division, and the case is known as *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). The people who sued are called the Lead Plaintiffs, and the entities and individuals they sued, Andersen, Household, William F. Aldinger, David A. Schoenholz, Gary Gilmer, and J.A.Vozar, are called the defendants. The only defendant settling at this time is Andersen.

2. What Is This Lawsuit About?

This case was brought as a class action alleging that Andersen violated the securities laws by helping the individual defendants conceal the true nature of Household's financial results by issuing

an opinion on Household's financial statements during the relevant time period. Andersen has denied that it did anything wrong.

3. Why Is This a Class Action?

In a class action, one or more people called class representatives (in this case the Court-appointed Lead Plaintiffs, Glickenhous & Company, PACE Industry Union Management Pension Fund and The International Union of Operating Engineers Local No. 132 Pension Plan), sue on behalf of people who have similar claims. Here, all these people are called a Class or Class Members. One court resolves the issues for all Class Members, except for those who exclude themselves from the Class. Judge Ronald A. Guzman is in charge of this class action.

4. Why Is There a Settlement with Andersen?

The Court did not decide in favor of Lead Plaintiffs or Andersen. Instead, these parties agreed to a settlement without agreeing upon the merits of the asserted claims, and without Andersen admitting to any wrongdoing. That way, the parties avoid the risks and costs of a trial, and eligible Class Members who make a valid claim will get compensation. The Lead Plaintiffs and their attorneys think the settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

5. How Do I Know if I Am Part of the Settlement?

The Class includes *all Persons who purchased or otherwise acquired Household securities during the period between October 23, 1997 and October 11, 2002, only with respect to claims brought pursuant to Sections 10 and 20 of the Securities Exchange Act of 1934 and Securities and Exchange Commission Rules promulgated thereunder, except those persons and entities that are excluded, as described below.*

6. What Are The Exceptions to Being Included?

You are not a Class Member if you are Andersen, one of the individual defendants listed in question 1 above, Household, a member of the immediate family of an individual defendant, an entity in which Andersen, an individual defendant or Household has or had a controlling interest or which is related to or affiliated with Andersen, Household or any individual defendant, a current or former director or officer of Household or Andersen, and a legal representative, heir, successor, or assign of any excluded party.

If you sold Household securities between October 23, 1997 and October 11, 2002, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired Household securities between October 23, 1997 and October 11, 2002.

7. I'm Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help. You can call Rick Nelson at 619/231-1058 for more information.

THE SETTLEMENT BENEFITS

8. What Does the Settlement Provide?

Andersen has agreed to pay \$1.5 million in cash to be divided among eligible Class Members. The funds obtained from Andersen will be held in an escrow account until such time as Lead Plaintiffs have obtained a settlement or judgment against the remaining defendants.

9. What Am I Giving Up to Stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Andersen about the same legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your claims in this case against Andersen. In summary, you will release all claims based upon your purchase or acquisition of Household securities between October 23, 1997 and October

11, 2002, all claims that relate to the defense or settlement of this case with Andersen. In addition, unless you exclude yourself, you may be bound by all future decisions concerning the remaining defendants in this case.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you don't want to be part of this Class, and you want to keep the right to sue or continue to sue Andersen (and perhaps the remaining defendants) on your own about the same legal issues in this case, then you must take steps to get out of the Class. This is called excluding yourself or is sometimes referred to as opting out of the Class.

10. How Do I Get Out of the Class?

To exclude yourself from the Class, you must send a letter by mail stating that you want to be excluded from *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). You must include your name, address, telephone number, your signature, and the number and type of Household securities you purchased or acquired between October 23, 1997 and October 11, 2002, the number and type of securities sold during this time period, if any, and the dates of such purchases and sales. You must mail your exclusion request postmarked no later than February 28, 2006 to:

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you are not eligible to get any future settlement payment, and you cannot object to the settlement. You will not be legally bound by anything that happens with respect to Andersen in this lawsuit.

11. If I Do Not Exclude Myself, Can I Sue Andersen for the Same Thing Later?

No. Unless you exclude yourself, you give up any right to sue Andersen for the claims resolved by this settlement and may be giving up the right to sue the remaining defendants in this case. If you have a pending lawsuit against Andersen or any of the other defendants in this case, speak to your lawyer in that case immediately. Remember, the exclusion deadline is February 28, 2006.

12. If I Exclude Myself, Can I Get Money from This Settlement?

No. If you exclude yourself, you will not be allowed to make a future claim for recovery. But, you may sue, or be part of a different lawsuit against Andersen.

THE LAWYERS REPRESENTING YOU

13. Do I Have a Lawyer in This Case?

The Court asked the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP to represent you and other Class Members.

These lawyers are called Lead Counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

14. How Will the Lawyers Be Paid?

Lead Counsel have decided not to seek payment for attorneys' fees or out-of-pocket expenses at this time.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you don't agree with the settlement or some part of it.

15. How Do I Tell the Court that I Don't Like the Settlement?

If you are a Class Member, you can object to the settlement if you don't like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must send a letter saying that you object to the settlement in *Lawrence E.*

Jaffe Pension Plan v. Household International, Inc., Lead Case No. 02-C-5893 (Consolidated). Be sure to include your name, address, telephone number, your signature, the number and type of Household securities purchased, acquired and sold between October 23, 1997 and October 11, 2002, and after October 11, 2002, and the reasons you object to the settlement. Any objection to the settlement must be mailed or delivered such that it is received by each of the following on or before February 28, 2006:

Court:

Clerk of the Court
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION
Everett McKinley Dirksen Building
219 South Dearborn Street
Chicago, IL 60604

Lead Counsel for Plaintiffs:

Joy Ann Bull
LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Andersen:

Stanley J. Parzen
MAYER, BROWN, ROWE & MAW LLP
71 South Wacker Drive
Chicago, IL 60606

16. What's the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the settlement. You can object *only if* you stay in the Class. Excluding yourself is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the settlement. You may attend and you may ask to speak, but you don't have to.

17. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a fairness hearing at 10:00 a.m., on March 16, 2006, at the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois. At this hearing the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Guzman will listen to people who have asked to speak at the hearing. The Court may decide these issues at the hearing or take them under consideration. We do not know how long these decisions will take.

18. Do I have to Come to the Hearing?

No. Lead Counsel will answer questions Judge Guzman may have. But, you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I Speak at the Hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *Lawrence E. Jaffe Pension Plan v. Household International, Inc.*, Lead Case No. 02-C-5893 (Consolidated). Be sure to include your name, address, telephone number, your signature, and the number and type of Household securities purchased or acquired between October 23, 1997 and October 11, 2002. Your notice of intention to appear must be postmarked no later than February 28, 2006, and be sent to the Clerk of the Court, Lead Counsel, and Andersen's counsel, at the three addresses listed in question 15. You cannot speak at the hearing if you exclude yourself from the Class.

IF YOU DO NOTHING

20. What Happens if I Do Nothing at All?

Unless you exclude yourself, you won't be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Andersen about the same legal issues in this case.

GETTING MORE INFORMATION

21. Are There More Details About the Settlement?

This Notice summarizes the proposed settlement. More details are in the Stipulation of Settlement with Arthur Andersen LLP dated as of June 16, 2005. You can get a copy of this stipulation by writing to Rick Nelson, Shareholder Relations, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, or from the Clerk's office at the United States District Court for the Northern District of Illinois, Eastern Division, Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois during regular business hours.

22. How Do I Get More Information?

You can: (1) call 619/231-1058 or write to Rick Nelson, Shareholder Relations, Lerach Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101; or (2) visit the website at www.gilardi.com.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

If you held any Household securities purchased or acquired between October 23, 1997 and October 11, 2002 as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Household Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94939

If you choose to mail the Notice yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DATED: _____, 2005

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

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EXHIBIT A-2

**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,)	
Plaintiff,)	<u>CLASS ACTION</u>
vs.)	Judge Ronald A. Guzman
)	Magistrate Judge Nan R. Nolan
HOUSEHOLD INTERNATIONAL, INC., et)	
al.,)	
Defendants.)	
_____)	

SUMMARY NOTICE

EXHIBIT A-2

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED HOUSEHOLD INTERNATIONAL, INC. ("HOUSEHOLD") SECURITIES DURING THE PERIOD BEGINNING OCTOBER 23, 1997 THROUGH OCTOBER 11, 2002, INCLUSIVE

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the United States District Court for the Northern District of Illinois, that a hearing will be held on March 16, 2006, at 10:00 a.m., before the Honorable Ronald A. Guzman at the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois, for the purpose of determining (1) whether the proposed settlement of the claims against Arthur Andersen LLP ("Andersen") in the Litigation for the sum of \$1,500,000 in cash should be approved by the Court as fair, reasonable and adequate; and (2) whether, thereafter, this Litigation should be dismissed with prejudice as to Andersen as set forth in the Stipulation of Settlement with Arthur Andersen LLP ("Stipulation") dated as of June 16, 2005.

If you purchased or otherwise acquired Household securities during the period beginning October 23, 1997 through October 11, 2002, inclusive, your rights may be affected by the certification of a class and by the partial settlement of this litigation. If you have not received a detailed Notice of Pendency and Proposed Partial Settlement of Class Action ("Notice"), you may obtain a copy by writing to *Household Securities Litigation*, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040.

If you desire to be excluded from the Class, you must file a Request for Exclusion by February 28, 2006, in the manner and form explained in the detailed Notice referred to above. All Members of the Class who have not requested exclusion from the Class will be bound by any judgment entered in the Litigation pursuant to the Stipulation.

Any objection to the settlement must be mailed or delivered such that it is received by each of the following no later than February 28, 2006:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION
Everett McKinley Dirksen Building
219 South Dearborn Street
Chicago, IL 60604

Lead Counsel for Plaintiffs:

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JOY ANN BULL
655 West Broadway, Suite 1900
San Diego, CA 92101

Counsel for Andersen:

MAYER, BROWN, ROWE & MAW LLP
STANLEY J. PARZEN
71 South Wacker Drive
Chicago, IL 60606

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING
THIS NOTICE.** If you have any questions about the settlement, you may contact Lead Counsel at
the addresses listed above.

DATED: _____

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

DECLARATION OF SERVICE 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 December 16, 2005, declarant served by email the: **[PROPOSED] ORDER PRELIMINARILY APPROVING SETTLEMENT WITH ARTHUR ANDERSEN LLP AND PROVIDING FOR NOTICE** to the parties listed on the attached Service List. The parties' email addresses are as follows:

TKavaler@cahill.com
PSloane@cahill.com
LBest@cahill.com
NEimer@EimerStahl.com
ADeutsch@EimerStahl.com
sparzen@mayerbrownrowe.com
mmiller@millerfaucher.com
lfanning@millerfaucher.com

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

/S/ Monina O. Gamboa
MONINA O. GAMBOA

HOUSEHOLD INTERNATIONAL (LEAD)

Service List - 12/16/2005 (02-0377)

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Counsel for Defendant(s)

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Adam B. Deutsch
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224 South Michigan Avenue, Suite 1100
Chicago, IL 60604
312/660-7600
312/692-1718(Fax)

Stanley J. Parzen
Mayer, Brown, Rowe & Maw LLP
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