

**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. )	
_____ )	

**DECLARATION OF CHRISTINE SANDERS IN SUPPORT OF THE CLASS' MOTION  
FOR RECONSIDERATION OF THE COURT'S FEBRUARY 17, 2006 ORDER**

I, CHRISTINE SANDERS, declare as follows:

1. I am currently the Litigation Support Manager at Lerach Coughlin Stoia Geller Rudman & Robbins LLP (“Lerach Coughlin”). I have worked with Lerach Coughlin in litigation support since July 2001. My responsibilities include database management at Lerach Coughlin, and along with my team, I created the seven internal Lerach Coughlin databases in which all the documents produced by defendants and third parties in the Household International, Inc. (“Household”) litigation are stored. My team and I have maintained the databases throughout this litigation. I make this declaration based on my personal knowledge and discussions with other members of the litigation support department and outside vendors.

2. On February 17, 2006, at the request of Azra Z. Mehdi, I began to investigate the most efficient means by which we could delete all electronic forms of the documents listed on the schedules provided by Household, Arthur Andersen LLP (“Andersen”) and KPMG LLP (“KPMG”). Exhibits A-D attached hereto. On February 21, 2006, I was provided with an additional list of documents attached hereto as Exhibit E, which I have since incorporated into my inquiry. The documents listed on Exhibits A-E are herein collectively referred to as the “disputed documents.”

3. As described below, due to the manner of production in this case, there are multiple electronic copies of every disputed document that must be removed. These documents are contained on our internal databases as well as various other forms of electronic media. Because of the size of the production and differences in how documents were produced, plaintiffs have created seven separate databases for use in this litigation. Thus, we will have to perform six separate removal processes – one for each database except for the Portable Data Format (“PDF”) databases which can be combined. Moreover, the disputed documents are maintained in as many as twelve different electronic forms and located in several different places. As described in detail herein, based on what I have discussed thus far, I estimate that it would take the majority of our five-person litigation

support department approximately three weeks to delete all of the disputed documents from our network. In addition we would need to retain an outside vendor at a cost of approximately \$9,500 to assist with deletion of duplicate documents on our network. Finally, we will have to pay an outside vendor approximately \$24,900 more to delete all of the disputed documents contained on various media other than our internal databases.

### **Manner of Production**

4. Household, Andersen and KPMG have produced documents in this action in four different ways: hard-copy form, computer discs (“CD”), native form CDs and PDF on a hard drive. In addition, throughout its rolling production, Household has produced more than 150,000 pages which contain the same Bates number and image as earlier produced documents. Plaintiffs have expended considerable resources to convert the documents into a useable database form. As a result of this process, the electronic documents to be purged exist in several different forms as described below.

### **Hard Copy Production**

5. Household, Andersen and KPMG all have produced documents in hard-copy form. As these hard-copy documents were produced, plaintiffs had them scanned onto CDs. Once the documents were on CDs, another vendor converted them into searchable form, using a process called optical character recognition (“OCR”). These OCR formatted documents exist on a second set of CDs, each of which contains an image file of the document and a searchable text file of the document. Finally, after the documents were converted into searchable form, both the image file and text file were copied onto plaintiffs’ network and loaded onto one of plaintiffs’ databases. As a result, documents from the hard-copy productions exist in six different electronic forms: scanned CDs; searchable CDs (in both image and text files); on plaintiffs’ network (in both image and text

files); and in plaintiffs' databases. In my experience, it is customary and prudent practice to maintain electronic documents as back-up on CDs as well as on our network and databases.

### **Non-Searchable Electronic Production**

6. Household also has produced non-searchable documents on CDs. Plaintiffs' vendor converted these documents into searchable form. Again these converted documents exist on separate CDs, each of which contains a text file and an image file of the documents. We then copied both the text and image files of the searchable documents onto our network and loaded them onto plaintiffs' databases. As a result the non-searchable documents which were produced on CDs exist in six different electronic forms: CDs produced by defendants; OCR CDs (in both image and text files); plaintiffs' network (in both an image and text files); and in plaintiffs' databases.

### **Native Format Production**

7. Household also has produced some electronic documents in their native form on CD. Once received, these documents were sent to an outside vendor who extracted the metadata from each document and converted the documents into Tagged Image File Format ("TIFF"). These TIFF images were then loaded into plaintiffs' databases along with the native documents. Thus, the documents produced in native form now exist in twelve different electronic forms: on CDs originally produced by defendants, on CDs containing these documents in native form; as TIFF images; as text files, along with two different types of metadata files; on plaintiffs' network in native form; as TIFF images and as text files, along with two different types of metadata; and in plaintiffs' databases.

### **Hard Drive Production**

8. For certain documents which were also previously produced to the United States Securities Exchange Commission ("SEC"), Household produced a hard drive containing 1.85 million pages in PDF format. As a result, documents from the SEC production exist in two different forms: on the hard drive produced by Household; and in plaintiffs' databases.

## **The Process of Removal of Documents from Plaintiffs' Databases**

9. My staff and I have commenced the process of removing disputed documents from plaintiffs' databases by electronically tagging the disputed documents for identification. To date, my team and I have spent more than 30 hours tagging documents for removal. During the tagging process we have encountered several issues that prevent the use of an automated process to delete the disputed documents.

10. An issue that we have encountered is that a number of the Bates ranges on the schedules provided by Household, Andersen and KPMG do not match up with the documents as they are defined in our internal databases. Some of the Bates ranges identified are contained entirely in the middle of a single document. Others start in the middle of one document and end in another. In other words, what Household states in one of its three schedules as a single document is not recognized as a single document in the databases. In order to delete the identified Bates ranges, we will have to perform the following steps: (1) manually change the page-break in our databases; (2) find and delete the OCR text of the privileged document in the OCR field; (3) find and delete the OCR text of the privileged documents in the OCR text file on the network; (4) delete the pages and all TIFF images identified by defendants; and (5) for all but the PDF documents, change the link in the image viewer page by page. This process would be extremely time-consuming.

11. In addition, more than 150,000 duplicate pages were produced by Household. Because these documents might exist twice on our network, we will have to hire an outside vendor to search our network to find and delete any privileged documents that would be missed when we delete the documents linked to the databases. Encore Legal Solution's ("Encore") estimated cost for this process is \$9,500. A copy of the estimate is attached hereto as Exhibit F.

12. Finally, we have been unable to locate a number of the disputed documents on our databases. Moreover, the schedules contain duplicative and overlapping entries. These issues interfere with the automation process and will cause further delay.

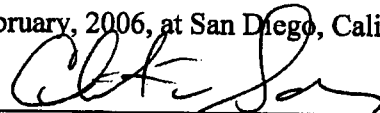
**Cost of Deletion of Documents from Plaintiffs' Network and Databases**

13. Due to the issues identified herein, I estimate that a complete deletion of all the disputed documents from plaintiffs' network and databases would take the majority of our litigation support department's time for approximately three weeks. In addition, as discussed, plaintiffs will have to hire an outside vendor to search the network and delete duplicates at an estimated cost of \$9,500. Our litigation support team provides all of the database support for 90% of the cases our firm handles and has six trials to prepare for in the next few months. We cannot afford to put the majority of the team on this project full-time for the next three weeks.

**Cost of Deleting Documents Outside of Plaintiffs' Databases**

14. The disputed documents also are contained on various media outside plaintiffs' databases, including approximately 360 CDs and a hard drive containing almost two million documents. We do not have the means internally to locate and remove the disputed documents contained on this other media. I have discussed these issues with an outside vendor Encore. Based on my description of the project, Encore has estimated that it will take 300 hours and cost \$24,900 to remove the disputed documents from this other media, a reasonable quote based on my experience. A copy of the estimate from Encore is attached hereto as Exhibit G.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 23rd day of February, 2006, at San Diego, California.



CHRISTINE SANDERS

DECLARATION OF SERVICE BY EMAIL AND 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 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 February 23, 2006, declarant served by electronic mail and by U.S. Mail the: **DECLARATION OF CHRISTINE SANDERS IN SUPPORT OF THE CLASS' MOTION FOR RECONSIDERATION OF THE COURT'S FEBRUARY 17, 2006 ORDER** to the parties listed below. The parties' e-mail addresses are as follows:

[TKavaler@cahill.com](mailto:TKavaler@cahill.com)

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and by U.S. Mail to:

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Law offices of Lawrence G. Soicher  
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David R. Scott, Esq.  
Scott & Scott LLC  
108 Norwich Avenue  
Colchester, CT 06415

I declare under penalty of perjury that the foregoing is true and correct. Executed this 23rd day of February, 2006, at San Francisco, California.

/s/ Marcy Medeiros  
\_\_\_\_\_  
MARCY MEDEIROS