

**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. )	
_____ )	

**[PROPOSED] FINAL JUDGMENT AND ORDER OF DISMISSAL WITH PREJUDICE  
AS TO ARTHUR ANDERSEN LLP**

This matter came before the Court for hearing pursuant to an Order of this Court, dated January 31, 2006, on the application of the Settling Parties for approval of the settlement set forth in the Stipulation of Settlement with Arthur Andersen LLP dated as of June 16, 2005 (the “Stipulation”). Due and adequate notice having been given of the settlement as required in said Order, and the Court having considered all papers filed and proceedings held herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. This Judgment 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. Except as to any individual claim of those Persons (identified in Exhibit 1 attached hereto) who have validly and timely requested exclusion from the Class, the Litigation and all claims contained therein, including all of the Released Claims, are dismissed with prejudice as to the Lead Plaintiffs and the Class, and as against Arthur Andersen LLP (“Andersen”). The parties are to bear their own costs, except as otherwise provided in the Stipulation.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court hereby approves the settlement set forth in the Stipulation and finds that said settlement is, in all respects, fair, reasonable and adequate to, and is in the best interests of, the Lead Plaintiffs, the Class and each of the Class Members. This Court further finds the settlement set forth in the Stipulation is the result of arm’s-length negotiations between experienced counsel representing the interests of the Lead Plaintiffs, the Class Members and Andersen, and that the Stipulation represents a good faith settlement of all Released Claims of all Class Members sufficient to discharge Andersen and its Related Parties of all Released Claims of all Class Members. Accordingly, the settlement embodied

in the Stipulation is hereby approved in all respects and shall be consummated in accordance with its terms and provisions. The Settling Parties are hereby directed to perform the terms of the Stipulation.

5. Upon the Effective Date, as defined in ¶1.8 of the Stipulation, the Lead Plaintiffs shall fully, finally and forever release, relinquish and discharge, and each Class Member, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Persons from all Released Claims (including Unknown Claims as defined in ¶1.23 of the Stipulation), expressly including all claims (including Unknown Claims) in any way arising out of, relating to, or in connection with the institution, prosecution, assertion, defense, settlement or resolution of the Litigation, whether or not such Class Member executes and delivers the Proof of Claim and Release. Household and the Individual Defendants and the claims asserted against them in the Litigation are specifically excluded from this release. Claims for violations of the Stipulation (including any Exhibits) are preserved.

6. The Court permanently bars and enjoins (i) all Class Members who have not validly and timely requested exclusion from the Class (and their heirs, executors and administrators, predecessors, successors, affiliates, and assigns) from filing, commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefits from, any other lawsuit, arbitration, or other proceeding or order in any jurisdiction that is based upon, arises out of or relates to any Released Claims; and (ii) all Persons from organizing any class members for purposes of pursuing as a purported class action (including by seeking to amend a pending complaint to include class allegations, or by seeking class certification in a pending action) any lawsuit that is based upon, arises out of, or relates to any Released Claims.

7. Upon the Effective Date, as defined in ¶1.8 of the Stipulation, Andersen shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released,

relinquished and discharged each and all of the Lead Plaintiffs, Class Members and Lead Counsel from all claims (including Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation.

8. Nothing in this Judgment shall preclude any action to enforce the terms of the Stipulation.

9. The distribution of the Notice of Pendency and Proposed Partial Settlement of Class Action (“Notice”) and the publication of the Summary Notice for publication as provided for in the Order Preliminarily Approving Settlement with Arthur Andersen LLP and Providing for Notice constituted the best notice practicable under the circumstances, including individual notice to all Members of the Class who could be identified through reasonable effort. Said Notice provided the best notice practicable under the circumstances of those proceedings and of the matters set forth therein, including the proposed settlement set forth in the Stipulation, to all Persons entitled to such notice, and said Notice fully satisfied the requirements of Federal Rule of Civil Procedure 23, the requirements of due process, and any other applicable law.

10. Any plan of allocation submitted by Lead Counsel or any order entered regarding the attorneys’ fee and expense application shall in no way disturb or affect this Final Judgment and shall be considered separate from this Final Judgment.

11. Neither the Stipulation nor the settlement contained therein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be used as a presumption, concession or admission of, or as evidence of, the validity of any Released Claim, or of any wrongdoing or liability of Andersen or any of its Related Parties; or (b) is or may be deemed to be or may be used as a presumption, concession or admission of, or as evidence of, any fault, omission, liability or wrongdoing of Andersen or any of its Related Parties in any civil, criminal or administrative proceeding in any court, administrative agency or

other tribunal; or (c) shall be offered in evidence by any Person for any purpose except as provided in this paragraph 10. Released Persons may file the Stipulation and/or the Judgment in any other action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim. The Settling Parties and their counsel may file the Stipulation in any proceeding brought to enforce any of its terms or provisions.

12. Pursuant to §21D(f)(7)(A) of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, all Persons, including without limitation Household and the Individual Defendants, are hereby permanently enjoined, barred and restrained from commencing, prosecuting or asserting any claim or action against Andersen or any of its Related Parties, however styled, whether legal or equitable, known or unknown, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, whether arising under state, federal or common law, whether for contribution, indemnity or otherwise, including without limitation, any claim for breach of contract or for misrepresentation, where such claim is based upon, arises out of or relates to the Litigation (including any matters that were alleged or could have been alleged in the [Corrected] Amended Consolidated Class Action Complaint), including, without limitation, any claim in which such Person seeks, as damages or otherwise, the recovery of (1) all or any part of any liability or any settlement or judgment or any other amount which such Person has paid, or is obligated to pay, or has become or may become liable to pay, or agrees to pay either to the Class in this Litigation (whether in cash or any other form of consideration) and/or in defending against any claim in the Litigation, whether as claims, cross-claims, counterclaims, third-party claims or otherwise, whether asserted in the Litigation or in any other court, arbitration proceeding,

administrative agency or other forum in the United States or elsewhere. All such claims are hereby extinguished, discharged, satisfied and unenforceable.

13. If, notwithstanding paragraph 11 any Person obtains a judgment against Andersen or any of its Related Parties on any claim that is based upon, arises out of, or related to the Litigation (including any matters that were alleged or could have been alleged in the [Corrected] Amended Consolidated Class Action Complaint), or on any other claim, however denominated, to recover, directly or indirectly from Andersen or any of its Related Parties any amounts that such Person has paid, or is obligated to pay, or has become or may become liable to pay, or agrees to pay either to any of the Class Members in this Litigation and/or in defending against any claim by any of the Class Members in this Litigation, the Lead Plaintiffs and the Class agree that they will reduce or credit any judgment or settlement (up to the amount of such judgment or settlement) that they might obtain against such Person who obtains the judgment against Andersen or any of its Related Parties by an amount equal to the amount of that Person's judgment against Andersen or any of its Related Parties, which amount shall be credited to Andersen or any of its Related Parties, as the case may be.

14. In accordance with 15 U.S.C. §78u-4(f)(7)(A), any and all claims for contribution arising out of any Released Claim(s), including, but not limited to, any claims that are based upon, arise out of or relate to the Litigation and/or any matters that were alleged or could have been alleged in the Litigation by any person or entity against Andersen or any of its Related Parties are, by operation of this Judgment, hereby permanently barred, extinguished, discharged, satisfied, and unenforceable. Accordingly, without limitation to any of the above, Household International, Inc., William F. Aldinger, David A. Schoenholz, Gary Gilmer and J.A. Vozar (and all persons or entities purporting to act on its or any of their behalf, and all persons or entities purporting to claim by or through it or any of them, whether under a subrogation theory or otherwise) (collectively, the "Non-Andersen Defendants") are hereby permanently enjoined from commencing, prosecuting, or

asserting against Andersen or any of its Related Parties any such claim for contribution. In accordance with 15 U.S.C. §78u-4(f)(7)(B), any final verdict or judgment that may be obtained by or on behalf of the Class or a Class Member against any Non-Andersen Defendant shall be reduced by the greater of (x) an amount that corresponds to the percentage of responsibility of Andersen for the loss to the Class or a Class Member, or (y) the amount paid by or on behalf of Andersen to the Class in connection with the settlement.

15. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over (a) implementation of this settlement and any award or distribution of the Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees and expenses in the Litigation; and (d) all parties hereto for the purpose of construing, enforcing and administering the Stipulation.

16. The Court finds that during the course of the Litigation, the Settling Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

17. In the event that the settlement does not become effective in accordance with the terms of the Stipulation or the Effective Date does not occur, or in the event that the Settlement Fund, or any portion thereof, is returned to Andersen, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

18. The Court finds, pursuant to Rule 54(b) of Fed. R. Civ. P. that there is no just reason for delay and directs entry of this Judgment immediately.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE RONALD A. GUZMAN  
UNITED STATES DISTRICT JUDGE

Submitted by:

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CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2006, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

s/ JOY ANN BULL  
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