

**FILED**

FEB 21 2003 10

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

**MICHAEL W. DOBBINS  
CLERK, U.S. DISTRICT COURT**

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

Plaintiffs,

v.

HOUSEHOLD INTERNATIONAL, INC.,  
et al.,

Defendants.

Lead Case No. 02-C-5893  
(Consolidated)

CLASS ACTION

Hon. Ronald A. Guzman  
Magistrate Judge Nan R. Nolan

**DOCKETED**  
FEB 24 2003

**NOTICE OF FILING**

TO: Counsel on Attached Service List

PLEASE TAKE NOTICE that on February 21, 2003, Defendant Arthur Andersen LLP, by and through its attorneys, Mayer, Brown, Rowe & Maw, caused to be filed with the United States District Court for the Northern District of Illinois, **Defendant Arthur Andersen LLP's Opposition to Plaintiffs' Motion for a Finding of Relatedness**, copies of which are attached and hereby served upon you.

Respectfully submitted,

By: Debra Bogos-Ernst  
One of the Attorneys for Arthur Andersen LLP

Stanley J. Parzen  
Lucia Nale  
Susan Charles  
Debra Bogos-Ernst  
MAYER, BROWN, ROWE & MAW  
190 South LaSalle Street  
Chicago, Illinois 60603  
312-782-0600 (Phone)  
312-701-7711 (Facsimile)

47

**SERVICE LIST**

Patrick J. Coughlin  
Azra Z. Mehdi  
Luke O. Brooks  
MILBERG WEISS BERSHAD HYNES &  
LERACH LLP  
100 Pine Street, Suite 2600  
San Francisco, CA 94111  
(415) 288-4545  
(415) 288-4534 (facsimile)

Norman Rifkind  
Leigh Lasky  
LASKY & RIFKIND, LTD.  
11 South LaSalle Street, Suite 1600  
Chicago, Illinois 60603  
(312) 634-0057  
(312) 634-0059 (facsimile)

*Counsel for Williamson Plaintiff*

Marvin A. Miller  
Jennifer Winter Sprengel  
Lori A. Fanning  
MILLER FAUCHER & CAFFERTY LLP  
30 North LaSalle Street, Suite 3200  
Chicago, Illinois 600602  
(312) 782-4800  
(312) 782-4485 (facsimile)

William S. Lerach  
MILBERG WEISS BERSHAD HYNES &  
LERACH LLP  
401 B Street, Suite 1700  
San Diego, CA 92101  
(619) 231-1058  
(619) 231-7423 (facsimile)

*Counsel for Jaffe Plaintiffs*

Nathan P. Eimer  
Adam B. Deutsch  
EIMER STAHL KLEVORN & SOLBERG  
224 South Michigan Avenue, Suite 110  
Chicago, Illinois 60605  
(312) 660-7600  
(312) 692-1718 (facsimile)

Norman Beck  
WINSTON & STRAWN  
35 West Wacker Drive  
Chicago, Illinois 60601  
(312) 558-7422  
(312) 558-5700 (facsimile)

*Counsel for Defendants*

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CLASS ACTION

Hon. Ronald A. Guzman  
Magistrate Judge Nan R. Nolan

**DEFENDANT ARTHUR ANDERSEN LLP'S OPPOSITION TO PLAINTIFFS'  
MOTION FOR A FINDING OF RELATEDNESS**

Defendant Arthur Andersen LLP ("Andersen") opposes Plaintiffs' Motion for a Finding of Relatedness ("Plaintiffs' Motion"). Plaintiffs' Motion seeks to relate this case, *Jaffe Pension Plan v. Household International, Inc., et al.* (02 C 5893) ("*Jaffe*") which is a consolidated purported class action naming Household International Corporation and Arthur Andersen LLP as defendants, and *Williamson v. Aldinger, et al.* (03 C 0331) ("*Williamson*") which is a derivative action seeking a recovery on behalf of Household International Corporation. A finding of relatedness between *Jaffe* and *Williamson* will unnecessarily complicate this litigation and, in the process, will substantially prejudice the rights of Andersen – which, as stated above, is a defendant only in the *Jaffe* matter. Accordingly, Plaintiffs' Motion for a Finding of Relatedness should be denied.

**A FINDING OF RELATEDNESS WOULD UNNECESSARILY  
COMPLICATE THIS LITIGATION.**

Because *Jaffe* and *Williamson* are fundamentally different, a finding of relatedness would unnecessarily complicate this litigation and would consume – rather than save – judicial time and effort.

*Jaffe* is a class action proceeding, alleging violations of the Securities and Exchange Act by Household International Corporation and other defendants. On the other hand, *Williamson* is a derivative action, alleging claims under the Sarbanes-Oxley Act as well as common law claims such as unjust enrichment, waste of corporate assets, abuse of control and breach of fiduciary duty, all on behalf of Household International Corporation.

In *Jaffe*, assuming the plaintiffs survive a motion to dismiss, the parties will be required to conduct class discovery and litigate class issues. In *Williamson*, class issues are irrelevant (and issues as to the ability of the plaintiff to prosecute a derivative action are more circumscribed than those that are extant in a class action determination under Fed. R. Civ. P. 23). In *Jaffe*, the case will be focused on whether the annual financial statements of Household International Corporation were in compliance with Generally Accepted Accounting Principles, whether any other statements made to the public were materially accurate, and whether the defendants acted with scienter. *Jaffe* is also governed by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”). In *Williamson*, the focus of the case will be on whether the directors and officers of Household International Corporation complied with their obligations to Household International Corporation under Sarbanes-Oxley and the common law. The PSLRA does not apply on its face to the *Williamson* case which has no federal securities law claims. On the other hand, *Williamson* raises the threshold issue of whether the basis for federal jurisdiction – Sarbanes-Oxley – even applies in that case and raises questions of state law. *Williamson* may

well be a case that does not even belong in this Court since there are now pending numerous other derivative actions in the Illinois state courts raising similar issues.

A finding of relatedness simply is not the best course of action. Granting the Plaintiffs' Motion will unnecessarily complicate this litigation and require the parties to grapple with issues of: (1) class versus derivative issues; and (2) federal securities law claims versus Sarbanes-Oxley Act and common law claims. For all of these reasons, Plaintiffs' Motion should be denied.

**A FINDING OF RELATEDNESS WOULD PREJUDICE ANDERSEN.**

In addition, Plaintiffs' Motion should be denied because a finding of relatedness would substantially prejudice the rights of Andersen. Andersen is only a defendant in the *Jaffe* matter, and allegations against Andersen relate only to the August 14, 2002 announcement that Household International Corporation would restate its financial statements for certain years. Andersen is not named in the *Williamson* case and, thus, there are no allegations against Andersen under the Sarbanes-Oxley Act or under the common law. Andersen should not be required to, *inter alia*, attend all depositions, court hearings and conferences and to review and conduct all discovery for both *Jaffe* and *Williamson*.

As a result, Andersen, a financially stressed limited liability partnership, would be unnecessarily subject to extensive discovery and expense and substantially prejudiced.

**CONCLUSION**

For all of the foregoing reasons and authorities, Defendant Arthur Andersen LLP respectfully requests that this Court deny Plaintiffs' Motion for a Finding of Relatedness.

Dated: February 21, 2003

Respectfully Submitted,

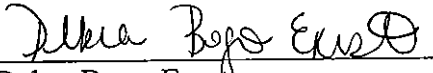
ARTHUR ANDERSEN LLP

By: Debra Bogo-Ernst  
One of the Attorneys for Arthur Andersen LLP

Stanley J. Parzen  
Lucia Nale  
Susan Charles  
Debra Bogo-Ernst  
MAYER, BROWN, ROWE & MAW  
190 South LaSalle Street  
Chicago, Illinois 60603  
312-782-0600 (Phone)  
312-701-7711 (Facsimile)

**CERTIFICATE OF SERVICE**

The undersigned, an attorney, hereby certifies that on February 21, 2003, I caused copies of the foregoing Notice of Filing and Defendant Arthur Andersen LLP's Opposition to Plaintiffs' Motion for a Finding of Relatedness to be served upon the persons in the attached service list via facsimile and via depositing same in the United States mail at 190 South LaSalle Street, Chicago, Illinois 60603 before 5:00 p.m. on the aforementioned date.

  
Debra Bogo-Ernst