

**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 BING Z. RYAN EVIDENCING COMPLIANCE WITH LOCAL
RULE 37.2 AND IN SUPPORT OF THE CLASS' MOTION TO COMPEL HOUSEHOLD
DEFENDANTS TO PRODUCE RESPONSIVE DOCUMENTS TO THE CLASS' THIRD
[CORRECTED] REQUEST FOR PRODUCTION OF DOCUMENTS**

REDACTED VERSION

I, BING Z. RYAN, declare as follows:

1. I am an attorney duly licensed to practice before all of the courts of the State of California and am admitted to the General Bar of the United States District Court in the Northern District of Illinois. I am associated with the law firm of Lerach Coughlin Stoia Geller Rudman & Robbins LLP, lead counsel of record for plaintiffs and the Class in the above-entitled action. I have personal knowledge of the matters stated herein and, if called upon, I could and would competently testify thereto.

2. On May 17, 2004, the Class propounded its First Request for Production of Documents to Household Defendants, a true and correct copy of which is attached hereto as Exhibit 1. On July 9, 2004, defendants served their Responses and Objections to Plaintiffs' First Request for Production of Documents, a true and correct copy of which is attached hereto as Exhibit 2.

3. Based on information obtained from the document production in response to the first document request, the Class propounded its Second Request for Production of Documents to Household Defendants on April 8, 2005, a true and correct copy of which is attached hereto as Exhibit 3. The Household Defendants served their Objections and Responses to Plaintiffs' Second Request for Production of Documents on May 9, 2005, attached hereto a true and correct copy as Exhibit 4.

4. On February 2, 2006, the Class deposed Household International, Inc. ("Household") pursuant to Fed. R. Civ. P. 30(b)(6). A true and correct copy of the transcript of the deposition is attached hereto as Exhibit 5. Household designated Peter Sesterhenn as its witness for the Consumer Lending business unit. During the deposition, Sesterhenn identified several types of monthly or special reports of information sought through the Class' first two sets of document requests. On February 10, 2006, the Class requested defendants to produce these reports, as they were responsive

to the earlier document requests. *See* Bing Ryan's February 10, February 15 and March 10, 2006 letters to David Owen, true and correct copies of which are attached hereto as Exhibit 6. Defendants refused to produce these documents "absent a formal request." *See* David Owen's February 28, 2006 letter to Bing Ryan, a true and correct copy of which is attached hereto as Exhibit 7.

5. In an attempt to expeditiously resolve this issue, the Class served its [Corrected] Third Request for Production of Documents to Household International, Inc., William Aldinger, David Schoenholz, Gary Gilmer and J.A. Vozar ("Third Request") on March 13, 2006, a true and correct copy of which is attached hereto as Exhibit 8. These requests are narrowly focused to cover the documents defendants previously failed to produce, including the various reports identified by Sesterhenn. On April 12, 2006, the Household Defendants served their Objections and Responses to Plaintiffs' [Corrected] Third Request for Production of Documents, a true and correct copy of which is attached hereto as Exhibit 9.

6. On May 18, 2006, the parties met and conferred regarding the Class' Third Request, during which defendants refused to conduct a full search for documents response to the Class' Third Request. *See* Ira Dembrow's June 13, 2006 letter to Cameron Baker and Luke Brooks, a true and correct copy of which is attached hereto as Exhibit 10. On June 13, 2006, defendants informed the Class in writing that they stand by their objections and responses to Request Nos. 1-2, 6, 9-13, 16, 24, 27, 30, and 35. *Id.* Defendants also agreed to consider producing documents in response to Request No. 32 of the Third Request and documents from the Mortgage Services business unit for a number of requests that they agreed to produce documents from the Consumer Lending business unit. *Id.*

7. On June 21 and 26, 2006, the Class wrote to defendants, inquiring their final position as to those requests they agreed to consider in their June 13, 2006 letter. *See* Bing Ryan's June 21 and 26, 2006 emails to Ira Dembrow, true and correct copies of which are attached hereto as

Exhibit 11. On June 26, 2006, defendants wrote to the Class and stated that they will produce documents in response to Request Nos. 9, 12, 21, 23-24, 30 and 34 from the Mortgage Services business unit only. *See* Ira Dembrow's June 26, 2006 letter to Cameron Baker and Luke Brooks, a true and correct copy of which is attached hereto as Exhibit 12. Defendants further agreed to produce documents in response to Request Nos. 32 and 33 of the Third Request. *Id.*

8. With regard to those requests for which defendants have refused to produce or conduct a meaningful search, the Class believes that its only recourse is to move to compel production of documents in response to Request Nos. 1, 2, 6, 9-13, 16, 24, 27, 30 and 35.

9. Attached are true and correct copies of the following exhibits:

- Exhibit 13: Excerpts of Household's 2001 Report on Form 10-K, filed on March 12, 2002;
- Exhibit 14: Excerpts of Household's FY01 Report on 10-K/A, filed on August 27, 2002;
- Exhibit 15: Securities and Exchange Commission Admin. Proceeding, File No. 3-11072, *In re Household Int'l, Inc.*, Order Instituting Cease-and-Desist Proceedings, Making Findings, and Imposing Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 (Mar. 18, 2003);
- Exhibit 16: Sylvia Sum's November 1, 2005 letter to Landis Best;
- Exhibit 17: Craig Kesch's November 14, 2005 letter to Sylvia Sum;
- Exhibit 18: Sylvia Sum's December 2, 2005 letter to Craig Kesch;
- Exhibit 19: Cameron Baker's January 12, 2006 letter to Landis Best;
- Exhibit 20: Sesterhenn Deposition Exhibit 2;
- Exhibit 21: Sesterhenn Deposition Exhibit 5;
- Exhibit 22: Sesterhenn Deposition Exhibit 11;
- Exhibit 23: HHS 02868128;
- Exhibit 24: HHS 02868137-47;
- Exhibit 25: HHS 02868225;
- Exhibit 26: HHS 02885134-44;

Exhibit 27: HHS 03208094-96;

Exhibit 28: HHS 03208097-101; and

Exhibit 29: Foreign Corrupt Practices Act §78m(b)(2).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 28th day of June, 2006, at San Francisco, California.

s/ Bing Z. Ryan

BING Z. RYAN

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