

**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.)	
_____)	

THE CLASS' PROPOSED DISCOVERY PLAN

1. As discussed at the June 15, 2006 Status Conference, the Class proposes the following discovery plan that includes a schedule for the conclusion of fact discovery, and a schedule for expert discovery, mediation and summary judgment motions, should any be filed.

2. This plan is based on the discovery taken to date, which includes 20 fact witness depositions and one of Household International, Inc. (“Household”) itself, as well as currently scheduled depositions (an additional seven fact witnesses, including one of third-party KPMG LLP). The Class has also considered the parties’ previous Rule 26(f) Discovery Plan with respect to the pre-trial schedule. *See* Docket No. 148. The Class has provided a copy of this discovery plan to the Household defendants and will be prepared to discuss it at the August 10, 2006 Status Conference.

3. The Class’ proposed schedule is as follows:

Defendants Complete Production of Responsive Documents and Verify the Completion Under Oath	September 15, 2006
Fact Discovery Cut-Off	January 31, 2007
The Class’ Initial Expert Disclosures	March 19, 2007
Household Defendants’ Expert Disclosures	April 10, 2007
The Class’ Rebuttal Expert Disclosures	May 10, 2007
Expert Discovery Cut-Off	June 22, 2007
Mediation	July 20, 2007
Summary Judgment Filing Date	August 20, 2007
Presentment Hearing for Summary Judgment Motions	September 7, 2007
Final Pre-Trial Conference	60 days after rulings on Summary Judgment
Pre-Trial Order Filing Date	45 days after the Final Pre-Trial Conference
Trial Date	TBD

The Class discusses this schedule and the supporting reasons for its adoption below.

FACT DISCOVERY

4. As the Court is aware, the parties commenced fact discovery at the end of June 2004, when the Court lifted the Private Securities Litigation Reform Act mandatory discovery stay. The Court has authorized the Class to take 55 depositions. At present, the Class has taken 20 of those depositions and has currently scheduled an additional seven depositions. At the current rate of depositions, the Class anticipates that it will be able to complete its factual witness depositions by the end of January 2007. This period is based on an estimate of the time needed to schedule and complete depositions as well as the need to sequence depositions in the Class' preferred order. This schedule also considers the inevitable disruptions caused by witness schedules and holidays. This schedule is consistent with what the Class informed the Court on June 15, 2006.

5. In order to ensure that the Class' proposed schedule for fact discovery completion is accomplished, the Class proposes that defendants be required to provide deposition dates for requested witnesses no later than one week after the Class has identified deponents. This will minimize delays associated with scheduling depositions and allow the Class to complete fact discovery within the deadline set forth.

EXPERT DISCOVERY

6. In their prior submission to the Court, the Class and the Household defendants proposed sequencing the expert disclosures based on an initial disclosure by the Class, a disclosure by the Household defendants and a rebuttal disclosure by the Class. The Class has retained this sequencing and the general timing of the original proposals. For example, the original proposals called for a 45-day period between the close of factual discovery and the Class' initial disclosure. Additionally, the Class has retained from the time period from the original proposal, *i.e.*, 30 days from the final disclosures for completion of expert depositions.

MEDIATION

7. Following the completion of expert discovery, the parties should be prepared to participate in mediation. At this juncture, both parties will be aware of the strengths and weaknesses of their respective cases. Accordingly, the Class proposes that the Court should order the parties to mediation. Further, to ensure that the mediation has the highest probability of success, the Court should order the participation of senior Household management with authority to settle the case as well as the participation, as appropriate, of insurance carriers. The Court has the inherent authority to take these steps and should do so.

SUMMARY JUDGMENT

8. Should mediation be unsuccessful, the Class has proposed a date for the filing of any summary judgment motions. The Class recommends that the presentment hearing for these motions be set 15 days after the filings or longer, depending on the Court's schedule. This will allow the parties and the Court ample time to consider the issues raised by the motion(s) and to meet and confer as to a briefing schedule. The Court can then set an appropriate briefing schedule.

DATED: August 7, 2006

Respectfully submitted,

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DECLARATION OF SERVICE BY EMAIL AND BY 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 August 7, 2006, declarant served by electronic mail and by U.S. Mail the **THE CLASS' PROPOSED DISCOVERY PLAN** to the parties listed on the attached Service List.

The parties' email addresses are as follows:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 7th day of August, 2006, at San Francisco, California.

s/ Marcy Medeiros

MARCY MEDEIROS