

**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. )	
_____ )	

**STATUS REPORT REGARDING THE CLASS' MOTION TO COMPEL PRODUCTION  
OF DISCOVERY AND ISSUANCE OF LETTERS OF REQUEST UNDER THE  
HAGUE CONVENTION**

Pursuant to the Court's October 19, 2006 Minute Order, the Class respectfully submits this status report regarding The Class' Motion to Compel Production of Discovery and Issuance of Letters of Request Under the Hague Convention ("Motion to Compel").

Based on its communications with HSBC Holdings plc ("HSBC") to date, the Class is hopeful that HSBC will provide the necessary discovery without further action from the Court. However, due to certain open questions, and because it appears that HSBC's cooperation to date is due to the pendency of the Motion to Compel, the Class wishes to continue the Motion to Compel until discovery related to these matters has been completed.

Below is a summary of the Class' agreements with HSBC regarding (1) HSBC's production of documents, (2) the deposition of HSBC and (3) Morgan Stanley & Co. International Limited's ("Morgan Stanley") production of documents:

**1. Production of Documents by HSBC**

At the October 19, 2006 status conference, counsel for the Class informed the Court that HSBC had orally agreed to produce documents responsive to the Letters of Request issued October 11, 2006. The Class also informed the Court that HSBC's written response to the Class' subpoena was due the next day and the Class wished to review HSBC's written response prior to determining whether it was necessary to proceed with the Motion to Compel.

HSBC served its objections to the Class' subpoena on October 20, 2006. Based on subsequent communications with HSBC, the Class understands that HSBC will conduct a "reasonable" search for documents responsive to the Letters of Request provided the Class proceeds with the Letters of Request that were approved by this Court on October 11, 2006. Despite the Class' request, HSBC has not identified what limitations, if any, will be imposed on HSBC's search for and production of documents. Furthermore, although HSBC has committed to begin its production on October 27, 2006, it did not respond to the Class' inquiries regarding when the

production will be completed. Given HSBC's lack of specificity regarding the parameters of HSBC's production and the anticipated date of completion, the Class believes it would be prudent to continue the Motion to Compel until such time as HSBC's production is complete.

**2. Deposition of HSBC**

HSBC has agreed to produce a witness for deposition regarding matters relevant to the Class' claims in connection with the acquisition of Household. HSBC has communicated its belief that the Class' 30(b)(6) notice is overbroad, but has not identified any specific limitations it seeks to impose on the witness's preparation. Furthermore, HSBC has not yet confirmed that the deposition will proceed pursuant to the Federal Rules of Civil Procedure. Again, the Class is hopeful that these issues can be resolved without Court intervention; however, the existence of these potential areas of dispute also militates in favor of continuing the Motion to Compel.

**3. Production of Documents by Morgan Stanley**

HSBC informed the Class that it has instructed Morgan Stanley to produce the London-based documents sought by the Class through its Motion to Compel. It is the Class' understanding that these documents are en route from London. The Class has not yet received a definitive date for the production of these documents.

In sum, because the parameters of HSBC's production have not been fully defined and the production has not yet commenced, the Motion to Compel should be continued.

DATED: October 26, 2006

Respectfully submitted,

LERACH COUGHLIN STOIA GELLER  
RUDMAN & ROBBINS LLP  
PATRICK J. COUGHLIN (90785466)  
AZRA Z. MEHDI (90785467)  
D. CAMERON BAKER (154452)  
MONIQUE C. WINKLER (90786006)  
LUKE O. BROOKS (90785469)  
MARIA V. MORRIS (223903)  
BING Z. RYAN (228641)

s/ Luke O. Brooks

---

LUKE O. BROOKS

100 Pine Street, Suite 2600  
San Francisco, CA 94111  
Telephone: 415/288-4545  
415/288-4534 (fax)

LERACH COUGHLIN STOIA GELLER  
RUDMAN & ROBBINS LLP  
WILLIAM S. LERACH  
655 West Broadway, Suite 1900  
San Diego, CA 92101  
Telephone: 619/231-1058  
619/231-7423 (fax)

Lead Counsel for Plaintiffs

MILLER FAUCHER AND CAFFERTY LLP  
MARVIN A. MILLER  
30 North LaSalle Street, Suite 3200  
Chicago, IL 60602  
Telephone: 312/782-4880  
312/782-4485 (fax)

Liaison Counsel

LAW OFFICES OF LAWRENCE G.  
SOICHER  
LAWRENCE G. SOICHER  
110 East 59th Street, 25th Floor  
New York, NY 10022  
Telephone: 212/883-8000  
212/355-6900 (fax)

Attorneys for Plaintiff

T:\CasesSF\Household Intl\SCS00036173.doc

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 October 26, 2006, declarant served by electronic mail and by U.S. Mail to the parties the: **STATUS REPORT REGARDING THE CLASS' MOTION TO COMPEL PRODUCTION OF DISCOVERY AND ISSUANCE OF LETTERS OF REQUEST UNDER THE HAGUE CONVENTION.** The parties' email addresses are as follows:

[TKavaler@cahill.com](mailto:TKavaler@cahill.com)  
[PSloane@cahill.com](mailto:PSloane@cahill.com)  
[PFarren@cahill.com](mailto:PFarren@cahill.com)  
[LBest@cahill.com](mailto:LBest@cahill.com)  
[DOwen@cahill.com](mailto:DOwen@cahill.com)

[NEimer@EimerStahl.com](mailto:NEimer@EimerStahl.com)  
[ADeutsch@EimerStahl.com](mailto:ADeutsch@EimerStahl.com)  
[MMiller@millerfaucher.com](mailto:MMiller@millerfaucher.com)  
[LFanning@millerfaucher.com](mailto:LFanning@millerfaucher.com)

and by U.S. Mail to:

Lawrence G. Soicher, Esq.  
Law Offices of Lawrence G. Soicher  
110 East 59th Street, 25th Floor  
New York, NY 10022

David R. Scott, Esq.  
Scott & Scott LLC  
108 Norwich Avenue  
Colchester, CT 06415

Jonathan I. Blackman\*  
Cleary Gottlieb Steen & Hamilton LLP  
One Liberty Plaza  
New York, NY 10006-1470  
Fax No.: 212-225-3999

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26th day of October, 2006, at San Francisco, California.

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