

**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' STATUS REPORT FOR THE MAY 31, 2007 STATUS CONFERENCE

The Class hereby identifies the issues that it requests be addressed at the May 31, 2007 status conference.

I. Ernst & Young LLP Work Papers

Since the April 27, 2007 status conference and the Court's Order of the same date, the Court and the parties have taken a number of steps to address the issues surrounding the Ernst & Young LLP ("E&Y") work papers and draft report, including the submission of briefing on the subject. In addition to the issues raised in the parties' briefing, there are three more outstanding issues.

The most significant outstanding issue is defendants' failure to comply with the Court's April 27, 2007 directive to produce work papers within the Class Period by May 11, 2007. Paragraph 1 of that Order references the 425 boxes of work papers and directs defendants to produce all documents within those boxes generated during the Class Period. Thus, it includes within its directive the sampling and data validation documents generated during the Class Period. *See* April 27, 2007 Order at 1-2. The Class raised this issue with the Court on May 17, 2007 via letter, a copy of which is attached hereto as Exhibit A.¹ Defendants still have not complied with the directive to produce these Class Period documents.

Second, defendants are withholding documents as post-Class Period based on an artificial "manual sign-off" date. As a result, a number of documents that were identified as Class Period documents are all now identified as post-Class Period on defendants' revised log. On May 15, 2007, the Class requested defendants to identify those revised privilege log entries that no longer reflect the date of the documents creation, but defendants refused to provide this information. Exhibit B. This issue concerns approximately 149 documents. Exhibit C (compilation of revised privilege log entries).

¹ All exhibits are attached hereto unless otherwise noted.

A third issue concerns defendants' log with respect to the sampling and data validation boxes identified in the parties' May 11, 2007 proposed protocol for conducting an *in camera* review of the sampling and data validation boxes. (As the Class noted in its May 11, 2007 brief, the Class' submission of this protocol was in response to this Court's directive and is not a waiver of the Class' argument that an *in camera* review is not warranted given defendants' failures to provide the requisite support for their assertion of privilege over these documents.) By Minute Order dated May 22, 2007, the Court directed defendants to prepare a privilege log as to the boxes identified in the proposed protocol by May 29, 2007. By letter of today, defendants provided this log. However, this log fails to take the appropriate document-by-document approach but lumps documents by folder. Additionally, the log provides little information that is not available from the face of the documents.

On May 25, 2007, E&Y produced documents in response to the Class' subpoena. The Class is evaluating whether this production is compliant with the April 27, 2007 Order, wherein the Court clarified E&Y's obligations with respect to this production. By letter dated today, the Class raised with Ms. Nale some concerns about the E&Y production, which it will address in the meet and confer process if necessary.

II. Defendants' Motion for Partial Reconsideration

Defendants moved for reconsideration as to portions of the April 27, 2007 Order on the grounds that the Court had misapprehended the situation and the impact of its Order. As demonstrated by the Class in its brief supporting the Court's Order, this Court committed no such error. The Court should affirm its April 27, 2007 Order in its entirety at the May 31, 2007 status conference without hearing any further argument on it.

III. Defendants' Motion to Compel Responses to Interrogatories Nos. 56 and 64

Defendants have moved to compel further responses to two interrogatories. As the Class explained in its opposition to this motion, the Class has answered these interrogatories fully and

provided defendants with the information available to the Class in response to these interrogatories. As the Court is aware, defendants have filed motion after motion respecting the Class' responses to defendants' poorly drafted interrogatories. Fact discovery closed on January 31, 2007 and defendants should be barred from bringing any further motion to compel. The Class notes that during the last meet and confer, defendants acknowledged that they were satisfied with the Class' responses to date (other than the two at issue in the motion). *See* Exhibit D (relevant portion of the meet and conference transcript). Accordingly, the Court should bar any further motions by defendants with respect to their interrogatories.

IV. Expert Discovery and the E&Y Depositions

Assuming the Court resolves the E&Y issues on May 31, 2007 or shortly thereafter, the Class believes it would be appropriate for the Court to reset the expert discovery timetable and to provide a deadline to complete the E&Y depositions. If the Court orders the production of any E&Y documents by defendants, the Court should set June 8, 2007 as the date by which defendants are to produce the E&Y documents. The Court should also set June 29, 2007 as the date to complete the E&Y depositions. Setting these dates is important to prevent further delays in the schedule. The Class' proposed expert discovery schedule is as follows:

Class to submit initial expert reports	July 9, 2007
Defendants to submit initial expert reports	August 10, 2007
Class to submit rebuttal expert reports	August 31, 2007
Expert depositions and discovery cut-off	October 1, 2007

Under this schedule, the parties will complete expert discovery prior to the October 2, 2007 status conference before Judge Guzman.

V. Letters of Request

The Class has continued to work with Morgan Stanley to resolve issues pertaining to the letter of request. These issues are nearly resolved and the Class requests the Court continue these docket items.

DATED: May 29, 2007

Respectfully submitted,

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DECLARATION OF SERVICE BY E-MAIL 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 May 29, 2007 declarant served by electronic mail and by U.S. Mail to the parties: **THE CLASS' STATUS REPORT FOR THE MAY 31, 2007 STATUS CONFERENCE.**

The parties' email addresses are as follows:

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and by U.S. Mail to:

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I declare under penalty of perjury that the foregoing is true and correct. Executed this 29th day of May, 2007, at San Francisco, California.

s/ Juvily P. Catig

JUVILY P. CATIG