

**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 AZRA Z. MEHDI IN SUPPORT OF LEAD PLAINTIFFS'  
MOTION REQUESTING EVIDENTIARY SANCTIONS FOR HOUSEHOLD  
DEFENDANTS' DESTRUCTION OF EVIDENCE**

**REDACTED VERSION**

I, AZRA Z. MEHDI, declare as follows:

1. I am an attorney duly licensed to practice before all of the courts of the States of New York and California, and the District Court for the Northern District of Illinois. I am a member of the law firm of Coughlin Stoia Geller Rudman & Robbins LLP, counsel of record for lead 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. Attached are true and correct copies of the following exhibits:

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
1	HHS 02868170	HHS 02868206	undated	Personalized Loan Proposal Worksheets (BLANK)
2	HHS 03237984	HHS 03237990	undated	Chronology of Events Leading Up to a Settlement Between Household and the Multistate Group of Attorneys General
3	HHS 03423054	HHS 03423055	1/11/1999	Memo from Robert O'Han to Tom Detelich re: December Monthly Letter
4	HHS 02861365	HHS 02861371	1/27/1999	Memo from Gary Gilmer to Bill Aldinger, Dave Schoenholz, Joe Vozar, et al. re: Initiatives to Accelerate Growth of U.S. Consumer Finance
5	HHS 03243124	HHS 03243125	1/29/1999	Preliminary Draft Agenda for February Offsite, distributed to Gary Gilmer, et al., from David Schoenholz
6	HHS 02861372	HHS 02861375	3/18/1999	Memo from Randy Raup to Bill Aldinger, Dave Schoenholz and Gary Gilmer, et al. re: Minutes of February 1999 Senior Management Meeting
7	HHS 02923887	HHS 02923892	3/20/1999	Memo from Andrew Kahr to Joe Vozar, et al. re: Redoing HFC Mortgage Forms to Impose High Prepayment Penalties
8	HHS 02175754, 806-07, 809		5/1/1999	BSM Administration Guide, Advanced Sales Training
9	HHS 03243101	HHS 03243105	5/8/1999	Memo from Andrew Kahr to Dick Shaffer, et al. re: Project 7, PBP
10	HHS 03243158	HHS 03243158	5/28/1999	Memo from Andrew Kahr to Joe Vozar, et al. re: Late Fees; Parity Act; Communications
11	HHS 03243160	HHS 03243160	5/28/1999	Memo from Andrew Kahr to Gary Gilmer et al. re: Customer Statements
12	HHS 03243147	HHS 03243147	5/30/1999	Memo from Andrew Kahr to Dick Shaffer, et al. re: Project 7
13	HHS 02878194	HHS 02878195	8/7/1999	Memo from Andrew Kahr to Vineet Saxena, et al. re: Contract Language for Alternative Mortgage
14	HHS 02878132	HHS 02878133	10/21/1999	E-mail from Joe Vozar to P A Carlson re: California

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
15	HHS 02927473	HHS 02927474	2/1/2000	Memo from Andrew Kahr to Dave Schoenholz re: Revenue Recognition for Prepayment Penalties (with handwritten notes)
16	HHS 03117367	HHS 03117379	5/25/2000	Memo from Paul Creatura to Gary Gilmer, Dave Schoenholz, et al. re: Testimony on Predatory Lending by Ellen Seidman
17	HHS 02193536	HHS 02193538	7/24/2000	Fax from Richard Davis III to Household Realty Corp. and Household Finance Corp. III re: Ray Chenvert and Alisa Chenvert
18			8/2/2000	<i>Chenvert, et al. v. Household Fin. Corp.</i> , No. 00-2-01421-6, Complaint (Wash. Super. Ct. Aug. 2, 2000)
19	HHS 03472123	HHS 03472133	9/11/2000	Memo from Michael Deaver, Ken Trantowski, Nick Kalm and Megan Hayden to Household International, Larry Bangs, Gary Gilmer, Craig Stroom and Denis O'Toole (members of Edelman-D.C. and Chicago copied) re: Predatory Lending Communications Plan
20	HHS 02936416	HHS 02936417	9/14/2000	E-mail chain among Amy Moss, Dennis Hueman, Robert O'Han and Ron Bruckert, forwarded to Kathleen Curtin and Thomas Detelich re: ACORN STRIKES AGAIN
21	HHS 03238066	HHS 03238092	10/31/2000	PricewaterhouseCoopers LLP, Correspondent Lending Roundtable re: Predatory Lending - Responding to the Risks
22	HHS 03423256	HHS 03423258	11/24/2000	E-mail and attachment from Lisa M. Sodeika to Mike C. Eden, Ned M. Hennigan and Robert P. O'Han re: November 21, 2000 ACORN VISITS
23	HHS 03238038	HHS 03238039	1/5/2001	Memo from Larry Bangs to Responsible Lending Committee re: ACORN Meeting
24	HHS 03479577	HHS 03479602	1/10/2001	Household International General Ledger - Purge Detail (Redacted), for fiscal year 1999-2001
25	HHS 02905400	HHS 02905405	1/30/2001	Letter from Larry Bangs, Vice Chairman of Household International to Mike Shea, Executive Director-Acorn Housing, and Lisa Donner, Campaign Coordinator-Acorn Housing re: summary of issues discussed at January 24, 2001 meeting
26	HHS 03469151	HHS 03469156	2/2/2001	Household International Sales Visit Form auditing a branch in early 2001
27	HHS 03356421	HHS 03356422	2/7/2001	Pay Rights Reward Program - As It Is Now and e-mail from Bruce J. McNair to Laura J. Williams re: Pay Right Reward
28	HHS 02960780	HHS 02960780	2/19/2001	Memo from Andrew Kahr to Paul Makowski copied to Dave Schoenholz re: Obtaining Credit Reports for Loss Mitigation Purposes: FCRA
29			3/6/2001	<i>Federal Trade Comm'n v. Citigroup Inc.</i> , No. 01-CV-0606-JTC, Complaint for Permanent Injunction and Other Equitable Relief (N.D. Ga. Mar. 6, 2001)

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
30	HHS 03680479	HHS 03680480	3/12/2001	Memo to Files from David A. Schoenholz re: "Andrew Kahr," dated March 12, 2001, stamped "Received" by Kenneth H. Robin
31	HHS 03149238A	HHS 03149240A	3/15/2001	Memo from Bill Aldinger to Members of the Board of Directors re: news article from the <i>American Banker</i> , "Household Brings Big Guns into Image War"
32	HHS 03282566	HHS 03282568	3/19/2001	Letter from Tom Schneider to Chuck Cross re: Johnston HFC Complaint
33	HHS 02878802	HHS 02878804	3/29/2001	E-mail from Donna L. Taillon to Mary D. Brown, et al. re: FTC/CITI Complaint
34	HHS-ED 481985	HHS-ED 481991	4/5/2001	Household International Inc. Periodic Audit Form, auditing a branch in March-April 2001
35	HHS-ED 481920	HHS-ED 481926	4/17/2001	Household International Inc. Periodic Audit Form, auditing a branch in April 2001
36			4/20/2001	<i>Providian Credit Card Cases</i> , No. 4085, Order re: Sealed Documents (Cal. Super. Ct. Apr. 20, 2001), granting intervenor Hearst Corp. access to Andrew Kahr's memos
37	HHS 02943990	HHS 02943997	5/17/2001	E-mail chain among Lisa Sodeika, Robin Allcock, Carla Madura, Terry Price, Denis O'Toole, Tom Echols, et al. re: Washington State, dated May 21, and 22, 2001, attaching a letter from Chuck Cross at the Washington Department of Financial Institutions
38	HHS 03454631	HHS 03454634	5/17/2001	Memo from Gary Gilmer to Bill Aldinger, Dave Schoenholz, Ken Robin, Lisa Sodeika, Craig Stroom, Larry Bangs, et al. re: Thoughts on the Predatory Lending Events
39	HHS 03241869	HHS 03241880	5/21/2001	Facsimile from Tom Schneider to Craig Castelein
40	HHS 03418078	HHS 03418087	5/22/2001	E-mail from Robert O'Han to Mike Pinto re: Unauthorized HOLP's; Fax from Ken Walker to Rob with handwritten notes; Fax from Mike Pinto, DGM for the Mid-Atlantic HFC District, attaching equivalent rate worksheets
41	HHS 02183779	HHS 02183780	5/24/2001	Bulletin from Rob O'Han re: Prohibited Sales Practices to All HFC Sales Offices & HFCPS Management
42	HHS 02190693	HHS 02190693	5/24/2001	HFC Memorandum from Rob O'Han to all HFC Sales Offices & HFCPS Management re: Prohibited Sales Practices
43	HHS 02770109	HHS 02770113	5/24/2001	Memo from Mike Eden and Ned Hennigan, Beneficial Sales to All Beneficial Sales Offices & Management re: Prohibited Sales Practices (P&C's Cover Sheet attached)

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
44	HHS 02770115	HHS 02770123	5/24/2001	Memo to All HFC Sales Offices & HFCPS Management from Rob O'Han, HFC Sales re: Prohibited Sales Practices (P&C's Cover Sheet attached) and e-mail chain starting from Robert P. O'Han to Tom G. Schneider, et al. re: Review
45	HHS 03418027	HHS 03418027	5/24/2001	E-mail from Paul Pichoske to Robert O'Han re: effective rate
46			5/24/2001	Transcript of U.S. Senate Committee on Banking, Housing, and Urban Affairs, Press Conference with Senator Paul Sarbanes re: His Upcoming Chairmanship of the Senate Banking Committee
47	HHS 02953093	HHS 02953100	5/25/2001	Letter from Minnesota Department of Commerce to Tom Schneider with attachments
48	HHS 03208011	HHS 03208017	5/25/2001	Memo from Carla Madura to Robin Allcock & Tom Schneider re: March & April 2001 AG, BBB, & Regulatory Complaints
49	HHS 02868214	HHS 02868220	6/7/2001	HFC Loan Proposal
50	HHS 03208137	HHS 03208149	6/18/2001	E-Mail chain starting from Ned M. Hennigan to Robert P. O'Han et al. re: Responsible lending meeting
51	HHS 02868221	HHS 02868228	6/18/2001	Fax from Rob O'Han to Tom, (consists of separate printed e-mails to Rob O'Han from Craig Castelein, Mike Pinto, Dennis Hueman, Ronald Davis and Ronald Ferrari, respectively)
52	HHS 03208070	HHS 03208074	6/18/2001	E-mails from various individuals to Gary Gilmer and Brenda Clayton in response to an e-mail from Gary Gilmer re: Unauthorized Materials with dates ranging from June 15, 2001 to June 18, 2001
53	HHS 03418264	HHS 03418264	6/21/2001	E-mail from Dennis Hueman to Gary Gilmer re: "unauthorized sales materials"
54	HHS 02868135	HHS 02868147	6/21/2001	E-mail from Ned M. Hennigan to Thomas Detelich and Teri Molloy re: Responsible Lending Summit – June 20, 2001; E-mail chain originating from Robert P. O'Han on June 28, 2001 sent to Craig Castelein, Ronald Ferrari, Paul Pichoske, Ronald Davis, Dennis Hueman, Mike Pinto and Lisa Sodeika, forwarded to Thomas M. Detelich on June 28, 2001 re: responsible lending, attaching Ned Hennigan's presentation materials from the Responsible Lending Summit
55	HHS03453203	HHS03453204	6/23/2001	<i>The Boston Globe</i> article titled "Group Seeks Probe of Household Finance" by Thomas Grillo
56	HHS 03208243	HHS 03208251	6/26/2001	E-mails to Ned Hennigan and/or Brenda Clayton re: Conference Call or Responsible Lending Summit, with dates ranging from June 22, 2001 to June 26, 2001
57	HHS 02484489	HHS 02484489	7/5/2001	Memo from Beth Hansgen re: Very important to do today

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58	HHS 03208174	HHS 03208178	7/13/2001	E-mails re: Responsible Lending – Purging of Unauthorized Sales Materials or Unauthorized Material or Marketing Materials to Brenda Clayton from various recipients, with dates ranging from July 2, 2001 to July 13, 2001
59	HHS 03208094	HHS 03208101	8/3/2001	E-mail from Ned Hennigan to Kim Schneider et al. re: Responsible Lending Summit
60	HHS 02943158	HHS 02943160	9/26/2001	Letter from Daniel Gallatin, Commerce Investigator of the Minnesota Department of Commerce to Rose Patenaude of the Household Industrial Finance Company re: Department’s Subpoena Duces Tecum
61	HHS 02939573	HHS 02939584	10/17/2001	E-mail from Tim Joselyn to Lisa Sodeika re: HOLPS including completed HOLPS with handwritten notes and HOLP Redesign Meeting Minutes
62	HHS 02169555, 568, 577, 581, 604		11/1/2001	Excerpts of Information and Records Management Manual
63	HHS 02868090	HHS 02868094	11/15/2001	E-mail from Ronald E. Davis to Krista Eads (James Egan copied) re: Ortega
64	HHS 03281065	HHS 03281065	11/15/2001	E-mail from Alexander B. Hanlon to J. Denis O’Toole et al. re: Fwd: CA predatory lending lawsuit (ACORN e-mail to US Senate Banking Committee members)
65			1/24/2002	<i>Masterson, et al. v. Beneficial Massachusetts, Inc.</i> , No. 02-0359, Complaint (Mass. Super. Ct. Jan. 24, 2002)
66	HHS 03316366	HHS 03316387	2/6/2002	<i>ACORN v. Household Int’l Inc.</i> , No. 2002-04006, Class Action Complaint (Cal. Super. Ct. Feb. 6, 2002)
67	HHS 02946475	HHS 02946482	2/22/2002	Letter from Chuck Cross, Supervisor, DCS Investigation/Enforcement, Department of Financial Institutions to Tom Schneider, Director re: Subpoena Duces Tecum
68	HHS 02485040	HHS 02485062	2/27/2002	<i>Luna v. Household Fin. Corp.</i> , No. CS-02-0116-RHW, Complaint (Wash. Super. Ct. Feb. 27, 2002)
69	HHS 03442139	HHS 03442139	3/13/2002	Subpoena Duces Tecum from Bonnie Polta, Enforcement Supervisor, Department of Commerce, State of Minnesota to Kathleen Curtain
70			3/15/2002	<i>Vega, et al. v. Household Int’l, Inc.</i> , No. C2002-044158, Complaint (Cal. Super. Ct. Mar. 15, 2002)
71			3/21/2002	<i>Thomason, et al. v. Household Int’l, Inc.</i> , No. 2002-044921, Complaint (Cal. Super. Ct. Mar. 21, 2002)
72	HHS 02173881	HHS 02173881	4/2/2002	Bulletin to All HFC Sales Employees from Rob O’Han re: Use of Sales Forms
73	HHS 02374832	HHS 02374832	4/16/2002	Beneficial Bulletin Board Memorandum re: Elimination of Wordpad/Notepad Utility

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
74	HHS 03455557	HHS 03455574	4/22/2002	Fax from Shehad Mohammed to Megan Hayden re: Julian and Terry Johnston and letter from Tom Schneider to Chuck Cross re: Johnston Complaint
75			4/30/2002	Washington Department of Financial Institutions Expanded Report of Examination for <i>Household Finance Corporation III</i> as of April 30, 2002
76			5/5/2002	Sam Zuckerman, <i>San Francisco Chronicle</i> , "How Providian misled cardholders"
77			5/15/2002	<i>Bell, et al. v. Household Int'l, Inc.</i> , No. 02CH8640, Class Action Complaint (Ill. Cir. Ct. Cook Co. May 15, 2002)
78	HHS 02868341	HHS 02868344	5/23/2002	Agenda: Meeting with Household Finance Corporation (with handwritten notes)
79	HHS 02407021	HHS 02407038	5/31/2002	State of Arizona Office of the Attorney General Civil Investigative Demand
80	HHS 03220048	HHS 03220055	5/31/2002	State of Arizona Office of the Attorney General Notice of Complaint Filed
81	HHS-E 0012555.0001	HHS-E 0012555.0001	6/28/2002	E-mail chain among Ken Harvey, Kenneth Robin, Dave Schoenholz and William Aldinger re: Kahr Memos
82	HHS-E 0012556.0001	HHS-E 0012556.0001	7/1/2002	E-mail from Mark Leopold to Dave Schoenholz (Kenneth Robin and Ken Harvey copied) re: Memos
83	WAAG 019964	WAAG 019965	7/3/2002	E-mail from Chuck Cross to David Huey et al., re: Response to WA's report
84			2/21/2003	<i>Luna, et al. v. Household Fin. Corp.</i> , No. C02-1635 RSL, Excerpts of Declaration of Melissa Rutland-Drury (W.D. Wash. Feb. 21, 2003)
85			2/21/2003	<i>Luna, et al. v. Household Fin. Corp.</i> , No. C02-1635 RSL, Excerpts of Deposition Transcript of Jon Shrum (W.D. Wash. Feb. 21, 2003)
86			11/4/2004	<i>Frontline</i> , Transcript of Andrew Kahr's interview re: Secret History of the Credit Card
87			12/12/2005	Excerpts of Deposition Transcript of Christine Cunningham
88			6/22/2006	Excerpts of Deposition Transcript of Ned M. Hennigan
89			12/7/2006	Excerpts of Deposition Transcript of Kenneth B. Robin (Volume 1)
90			12/14/2006	Excerpts of Deposition Transcript of Kenneth Walker
91			1/25/2007	Excerpts of Deposition Transcript of A. Kathleen Kelly Curtin
92			2/28/2007	Excerpts of Deposition Transcript of David A. Schoenholz (Volume 1)
93			11/28/2007	Declaration of Curtis A. Howrey
94			7/27/2008	Declaration of Robert P. Kuhn

<u>EXHIBIT</u>	<u>START BATES</u>	<u>END BATES</u>	<u>DATE</u>	<u>DESCRIPTION</u>
95			9/3/2008	Declaration of John Buwalda
96			10/17/2008	Declaration of Seth Callen
97			10/22/2008	Declaration of Chantel Dorsey
98			10/23/2008	Declaration of Robert A. Feifer
99			10/24/2008	Declaration of Kimberly M. McNeal
100	HHS-E 0003253.0001	HHS-E 0003253.0007	9/25/2001- 10/31/2002	Chronology of Household International subpoenas, reports, investigations, etc.
101			various	Relevant portions of Household Defendants' Privilege Log cited in Lead Plaintiffs' Motion Requesting Evidentiary Sanctions for Household Defendants' Destruction of Evidence
102	HHS-ED 485591		8/7/2002	E-mail from Walt Rybak to various recipients re: File Retention
103	HHS 02942653	HHS 02942662	5/11/2001	Letter from Jordan Ash, ACORN, to Scott Borchert, Minnesota Department of Commerce
104	HHS 02909566	HHS 02909576	6/11/2001	Email from Mike Shea, ACORN, to Elizabeth Van Schaik, Secretary to Larry Bangs

I declare under penalty of perjury under the laws of the United States of America, that the foregoing is true and correct. Executed this 26th day of November 2008, at San Francisco, California.

/s/ Azra Z. Mehdi

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AZRA Z. MEHDI

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DECLARATION OF SERVICE BY ELECTRONIC 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 November 26, 2008, declarant served by electronic mail and by U.S. Mail to the parties the: **DECLARATION OF AZRA Z. MEHDI IN SUPPORT OF LEAD PLAINTIFFS' MOTION REQUESTING EVIDENTIARY SANCTIONS FOR HOUSEHOLD DEFENDANTS' DESTRUCTION OF EVIDENCE (Redacted Version)**. The parties' email addresses are as follows:

<a href="mailto:TKavaler@cahill.com">TKavaler@cahill.com</a> <a href="mailto:PSloane@cahill.com">PSloane@cahill.com</a> <a href="mailto:PFarren@cahill.com">PFarren@cahill.com</a> <a href="mailto:LBest@cahill.com">LBest@cahill.com</a> <a href="mailto:DOwen@cahill.com">DOwen@cahill.com</a>	<a href="mailto:NEimer@EimerStahl.com">NEimer@EimerStahl.com</a> <a href="mailto:ADeutsch@EimerStahl.com">ADeutsch@EimerStahl.com</a> <a href="mailto:MMiller@MillerLawLLC.com">MMiller@MillerLawLLC.com</a> <a href="mailto:LFanning@MillerLawLLC.com">LFanning@MillerLawLLC.com</a>
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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

I declare under penalty of perjury that the foregoing is true and correct. Executed this 26th day of November, 2008, at San Francisco, California.

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