

**UNITED STATES DISTRICT COURT
FOR THE Northern District of Illinois – CM/ECF LIVE, Ver 3.2.2
Eastern Division**

Lawrence E Jaffe, et al.

Plaintiff,

v.

Case No.: 1:02-cv-05893

Hon. Ronald A. Guzman

Household International Inc., et al.

Defendant.

NOTIFICATION OF DOCKET ENTRY

This docket entry was made by the Clerk on Monday, March 16, 2009:

MINUTE entry before the Honorable Ronald A. Guzman: Defendants' Motion to Exclude Allegedly False and Misleading Statements Not Identified by Plaintiffs in Discovery [doc. no. 1321] is denied. Defendants rely principally upon the Seventh Circuits decision in Tricontinental Industries, Ltd. v. PricewaterhouseCoopers, LLP 475 F.3d 824 (7th Cir. 2007). Tricontinental holds that plaintiff must prove it was the very facts about which the defendant lied which caused its injuries. The flaw in Tricontinentals effort was, as the district court found, that the loss which Tricontinental pled was attributable to the public exposure of a false statement made one year after the statement which Tricontinental alleged caused it to enter into the transaction. Tricontinental argued that the subsequent fraudulent statement was part of a scheme to defraud which included the previous statement the one alleged in its complaint – and that this was sufficient to allege loss causation. The Seventh Circuit disagreed. We are beyond the pleading stage in this case and the question now becomes what can plaintiffs prove. If they fail to prove a sufficient nexus between their losses and the untrue statements they allege, then they will not prevail. But that, of course, remains to be seen. The Court is convinced that the challenged statements were sufficiently identified by type and date and that defendants were sufficiently informed to allow for proper preparation for trial, including preparation of expert testimony regarding loss causation and other matters. Mailed notice (cjb,)

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