

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

LAWRENCE E. JAFFE PENSION PLAN, ON
BEHALF OF ITSELF AND ALL OTHERS SIMILARLY
SITUATED,

Plaintiffs,

- against -

HOUSEHOLD INTERNATIONAL, INC., ET AL.,

Defendants.

Lead Case No. 02-C-5893
(Consolidated)

CLASS ACTION

Judge Ronald A. Guzmán

**AGREED MOTION CORRECTING
EXHIBIT J-3 OF THE FINAL PRETRIAL ORDER**

Defendants Household International, Inc., William F. Aldinger, David A. Schoenholz and Gary Gilmer (collectively, "Defendants"), by and through their attorneys, hereby move this Court for an order correcting the Final Pretrial Order, Docket Nos. 1545-1546. In support of this agreed motion, Defendants state as follows:

1. On January 30, 2009, counsel for the parties submitted to the Court the [Proposed] Final Pretrial Order in two volumes, including, *inter alia*, Exhibit J-3, Defendants' Proposed Verdict Form.
2. On March 12, 2009, the Final Pretrial Order was entered by this Court, *see* Docket Nos. 1545-1546.
3. As a result of an apparent copying error, the filed version of the Final Pretrial Order omits three pages of Defendants Proposed Verdict Table originally contained in Exhibit J-3, *see* Docket No. 1546-7.

-2-

4. Thus, the parties have agreed, subject to the Court's approval, to submit a corrected copy of Defendants' Proposed Verdict Form (Exhibit J-3 to the Final Pretrial Order), attached as Exhibit 1 to the [Proposed] Order submitted herewith.

WHEREFORE, Defendants respectfully request that the [Proposed] Order submitted herewith be entered. Plaintiffs' counsel has consented to this relief and does not oppose this motion.

Dated: May 6, 2009

Respectfully submitted,

CAHILL GORDON & REINDEL LLP

By: /s/ Thomas J. Kavalier

Thomas J. Kavalier

Bar No. 1269927

Howard G. Sloane

Bar No. 1197391

Patricia Farren

Bar No. 1198498

Susan Buckley

Bar No. 1198696

Landis C. Best

David R. Owen

80 Pine Street
New York, New York 10005
(212) 701-3000

- and-

EIMER STAHL KLEVORN & SOLBERG LLP
224 South Michigan Avenue
Chicago, Illinois 60604
(312) 660-7600

*Attorneys for Defendants Household
International, Inc., William F. Aldinger,
David A. Schoenholz and Gary Gilmer*

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

LAWRENCE E. JAFFE PENSION PLAN, ON
BEHALF OF ITSELF AND ALL OTHERS SIMILARLY
SITUATED,

Plaintiffs,

- against -

HOUSEHOLD INTERNATIONAL, INC., ET AL.,

Defendants.

Lead Case No. 02-C-5893
(Consolidated)

CLASS ACTION

Judge Ronald A. Guzmán

[PROPOSED] ORDER

On consent of the parties, the Final Pretrial Order (Docket Nos. 1545-1546) is amended *nunc pro tunc* to include a complete copy of Exhibit J-3, Defendants' Proposed Verdict Form, a copy of which is attached as Exhibit 1 hereto.

Entered: _____, 2009

Hon. Ronald A. Guzmán
United States District Judge

Exhibit 1

EXHIBIT J-3

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

LAWRENCE E. JAFFE PENSION PLAN, ON BEHALF OF ITSELF AND ALL OTHERS SIMILARLY SITUATED,)	Lead Case No. 02-C-5893
)	(Consolidated)
Plaintiff,)	CLASS ACTION
- against -)	Judge Ronald A. Guzman
HOUSEHOLD INTERNATIONAL, INC., ET AL.,)	
Defendants.)	

DEFENDANTS' PROPOSED VERDICT FORM

CAHILL GORDON & REINDEL LLP
80 Pine Street
New York, New York 10005
(212) 701-3000

EIMER STAHL KLEVORN & SOLBERG LLP
224 South Michigan Avenue
Chicago, Illinois 60604
(312) 660-7600

*Attorneys for Defendants Household
International, Inc., Household Finance
Corporation, William F. Aldinger,
David A. Schoenholz, Gary Gilmer and
J. A. Vozar*

Pursuant to Federal Rule of Civil Procedure 51 and the Court's Standing Order Establishing Pretrial Procedure (the "Standing Order"), Defendants Household International, Inc. ("Household"), William F. Aldinger ("Aldinger"), David A. Schoenholz ("Schoenholz"), and Gary Gilmer ("Gilmer") (collectively, "Defendants") respectfully request the Court to charge and instruct the jury to record the results of their deliberations in the attached proposed Verdict Form.

The statements included in the "Challenged Statement" column of the Verdict Table and Inflation Table, *infra*, are those statements identified by plaintiffs in their January 15, 2009 exchange of materials to be included in the joint Pretrial Order, as further amended by plaintiffs in a January 20, 2009 email from Spence Burkholz to Joshua Newville. In certain statements, *e.g.*, Nos. 2 and 3, Defendants have restored text that was present in the source documents, but omitted by plaintiffs, which identifies the particular speaker to whom the statements are attributed. In statements Nos. 45 and 84, both of which are newspaper articles, Defendants included only those portions of the statements that are attributed to Household. Certain passages that were denominated as one statement by plaintiffs have been divided into two or more discrete statements here, where the statements were taken from widely separated portions of the source document, attributed to different speakers and/or pertained to distinct subject matter.

The statements are included herein without prejudice to defendants' pending motions in limine and without waiving or intending to waive, but on the contrary, reserving and intending to preserve all applicable objections to the relevance, materiality and admissibility of the documents and/or information identified, whether asserted heretofore or hereafter.

Defendants have incorporated into the Verdict Table and Inflation Table each of the statements identified in plaintiffs' January 15, 2000 proffer, as further amended by plaintiffs in a January 20, 2009 email from Spence Burkholz to Joshua Newville, without prejudice, despite the fact that plaintiffs' list vastly exceeds the amount of testimony and documentary evi-

dence plaintiffs could conceivably present during their one-half of the four-week period the Court has allotted for this trial, and notwithstanding that plaintiffs' list deviates substantially from plaintiffs' definitive representation to the Court and the defendants just one month earlier. Plaintiffs expressly represented to defendants and to this Court that they would attempt to prove at trial all of the statements, and only the statements, contained in bulleted paragraphs in plaintiffs' answers to three interrogatories promulgated by defendants (*see*, Pls.' Third Resp. to Defs.' [Seventh] Interrogs., dated Feb. 1, 2008, at 39-67 (Nos. 41-43). *See*, Transcript of [Presentment] Proceedings before the Hon. Ronald A. Guzman at 16-17, *Jaffe v. Household Int'l, Inc.*, No. 02 Civ. 5893 (Dec. 16, 2008) ("THE COURT: So you tell me. When can we have a more particularized listing of the allegedly false and misleading statements and/or omissions that you're going to actually use at trial? MS. MEHDI: The particularized listing will at least be all of the statements listed in our interrogatory responses. No more than that. We're not going to do any more than that. THE COURT: So your assertion is that you are going to present evidence as to each of the statements alleged in your interrogatory answers? MS. MEHDI: Yes. THE COURT: There you have it, counsel. The interrogatory answers is the blueprint of misleading statements. MS. MEHDI: And it's listed in bullet form.").

[DEFENDANTS' PROPOSED] VERDICT FORM

Introduction

This **Verdict Form** includes all of the questions you will answer and the instructions you are to follow. The questions in the Verdict Form are numbered, and you are to answer the questions in the order they are presented. You have also been provided with two tables: the **Verdict Table** and the **Inflation Table**. Some of the questions require that you record your answers on the tables.

- Part A: The questions and the instructions begin on page 1 of this Verdict Form. You will record your answers on the **Verdict Table**. If a box on the Verdict Table is blacked out or already filled in, that means that the question does not apply to the corresponding statement or that the parties have agreed to an answer. Please skip any question that is blacked out or already answered.
- Part B: The question and the instructions are on page 3 of this Verdict Form. You will record your answers on the **Inflation Table**.
- Part C: The questions and the instructions begin on page 4 of this Verdict Form. You will record your answers on this Verdict Form.

Most of the questions call for a "Yes" or "No" answer. A "Yes" answer favors Plaintiffs; a "No" answer favors Defendants. Follow the instructions carefully. Depending on your answers, you may not be required to answer every question. Do not record an answer on the Verdict Form or on either of the tables until you are unanimous.

You have been given extra copies of the Verdict Form, marked "Copy," to refer to as you are deliberating. You should not write on the forms that are marked "Copy." Your presiding juror will record your unanimous answers on the original Verdict Form and the original tables.

Part A — Elements of Section 10(b) / Rule 10b-5 and Section 20(a) Claims

Please use the **Verdict Table** to record your answers to Questions 1 through 6.

For each of the Challenged Statements listed on the left side of the Verdict Table, please answer Questions 1 through 6, following the instructions below, and record your unanimous answers on the Verdict Table.

1. Do you find that Plaintiffs have proved by a preponderance of the evidence that this Challenged Statement contains a false statement of fact, or omits information necessary, in light of the circumstances, to prevent the statement that was made from being misleading? Answer "Yes" or "No."

If you answered "Yes," please proceed to Question 2 for this Challenged Statement.

If you answered "No," please return to Question 1 for the next Challenged Statement.

2. Do you find that Plaintiffs have proved by a preponderance of the evidence that the misstatement or omitted information was material? Answer "Yes" or "No."

If you answered "Yes," please proceed to Question 3 for this Challenged Statement.

If you answered "No," please return to Question 1 for the next Challenged Statement.

3. Do you find that Plaintiffs have proved by a preponderance of the evidence that Household made the Challenged Statement or that any Individual Defendant was substantially involved in the preparation of the Challenged Statement? Answer "Yes" or "No" in the appropriate box or boxes.

If you answered "Yes" for any Defendant, please proceed to Question 4a for this Challenged Statement.

Otherwise, please return to Question 1 for the next Challenged Statement.

- 4a. With respect to any Defendant who you found in Question 3 made or was responsible for the Challenged Statement, do you find that Plaintiffs have proved by a preponderance of the evidence that that Defendant did so with actual knowledge that the statement was materially false or misleading? Answer "Yes" or "No" in the appropriate box or boxes.

If you answered "No" for one or more of the Defendants, please answer Question 4b for each of those Defendants for this Challenged Statement.

Otherwise, please proceed to Question 5.

- 4b. With respect to any Defendant who you found in Question 3 made or was responsible for the Challenged Statement, do you find that Plaintiffs have proved by a preponderance of the evidence that that Defendant did so with reckless disregard of a substantial risk that the statement was false? Answer "Yes" or "No" in the appropriate box or boxes.

If you answered "Yes" to Question 4a or 4b for any Defendant, please proceed to Question 5 for this Challenged Statement.

Otherwise, please return to Question 1 for the next statement.

5. Do you find that Plaintiffs have proved by a preponderance of the evidence that they have suffered an economic loss, and that this false statement of material fact, or this omitted material fact, caused the loss for which Plaintiffs seek to recover? Answer "Yes" or "No."

If you answered "Yes" to Question 5, please proceed to Question 6 for this Challenged Statement.

Otherwise, please return to Question 1 for the next Challenged Statement.

6. Do you find that Plaintiffs have proved by a preponderance of the evidence that any Defendant directly or indirectly controlled the person who made the Challenged Statement, directly or indirectly induced the person to make the statement, AND did not act in good faith? Answer "Yes" or "No" in the appropriate box or boxes.

Please return to Question 1 for the next Challenged Statement.

If there are no more statements remaining on the Verdict Table, please proceed to Part B.

Part B — Stock Price Inflation / Economic Loss

Please use the **Inflation Table** to record your answers to Question 7. Follow the instructions below, and record your unanimous answers on the Inflation Table.

7. Some of the columns on the Inflation Table have been filled in: **Column 1** lists the same Challenged Statements that you considered when you completed the Verdict Table. **Column 2** lists the Disclosures that Plaintiffs say revealed to the market that the Challenged Statements were false or misleading. **Column 3** indicates the first trading date on which each Challenged Statement in Column 1 or Disclosure in Column 2 became public. **Column 4** shows the closing price per share of Household's common stock on the date in Column 3.

You will complete the Inflation Table, following the instructions below to record your unanimous answers in **Columns 5 and 6**. Plaintiffs and Defendants have both presented evidence on stock price inflation, including the testimony of their expert witnesses and the exhibits that the experts explained to you. In answering this question, you must decide what evidence you will rely on and how much weight to give to that evidence.

- (a) *Refer to the Verdict Table.* For any Challenged Statement for which you did NOT reach Question 5 when you filled in the Verdict Table, please black out Column 5 in that row on the Inflation Table.
- (b) For any Challenged Statement for which you answered "No" to Question 5 on the Verdict Table, please black out Column 5 in that row on the Inflation Table.
- (c) *You may set aside the Verdict Table now.* Beginning with the first row on the Inflation Table in which Column 5 is not blacked out, please enter in Column 5 the dollar amount, if any, by which you find that the false or misleading statement or omission made on that date inflated the price of Household's common stock. If none, write \$0.
- (d) Proceed to the next row.

If the row contains a Challenged Statement in Column 1, go across the row to Column 5 and enter the dollar amount, if any, by which you find that the false or misleading statement or omission made on that date inflated the price of Household's common stock. If none, write \$0.

If the row contains a Disclosure in Column 2, go across the row to Column 6 and enter the dollar amount, if any, by which the artificial inflation created by untrue or misleading statements has been reduced by the disclosure made on that date. If none, write \$0.

- (e) Please repeat the step (d) for each remaining row on the Inflation Table.

When you have completed the Inflation Table, please proceed to Part C.

Part C — Allocation of Liability

Please answer "Yes" or "No" to Questions 8 and 9, and record your unanimous answers in the spaces provided on this Verdict Form.

8. Do you find that Arthur Andersen violated the securities laws? Answer "Yes" or "No."

Yes _____ No _____

If you answered "Yes," please proceed to Question 9. If you answered "No," please proceed to Question 10.

9. If you answered "Yes" to Question 8, do you find that Arthur Andersen knowingly committed a violation of securities laws? Answer "Yes" or "No."

Yes _____ No _____

Please proceed to Question 10.

10. What is the percentage of responsibility for the Plaintiffs' loss that you assign to each person or entity below? Record your unanimous answers below. The total must add up to 100%. In determining the percentage of responsibility for each person or entity, you must consider: (1) the nature of the conduct of each person or entity you find contributed to the loss incurred by plaintiff; and (2) the nature and extent of the causal relationship between the conduct of that person or entity and any loss incurred by plaintiff.

	<u>Percentage</u>
Arthur Andersen	_____ %
Household International	_____ %
Bill Aldinger	_____ %
Dave Schoenholz	_____ %
Gary Gilmer	_____ %
Total	= 100 %

When you have completed all the questions above, please sign and date this Verdict Form. All jurors must sign this Verdict Form.

Dated: _____ (Presiding Juror)

VERDICT TABLE

Use this table with Part A of the Verdict Form.

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6	
	False or Misleading?	Household?	William Aldinger	David Scharbach	Clay Oliver	Household	William Aldinger	David Scharbach	Clay Oliver	Household	William Aldinger	David Scharbach
"Household International today reported that second quarter net income rose 31 percent to a record \$326.9 million, compared with first quarter net income of \$249.4 million a year ago. Earnings per share increased 37 percent to a record \$67, compared with operating EPS of \$49 a year ago. Cash basis EPS for the quarter rose 28 percent to \$74...."												
(Household International, Inc. News Release, July 22, 1999)												
"William F. Aldinger, Household's chairman and chief executive officer, said, 'Our results, a second quarter record, highlight the growth and improved profitability of our consumer finance businesses.'"												
(Household International, Inc. News Release, July 22, 1999)												
"Household International, Inc. News Release, July 22, 1999)												
"Aldinger continued, 'Business fundamentals are strong and reflect the positive trends we have seen since last year. Our net interest margin percentage expanded substantially, credit quality improved and costs remained well under control. Receivable growth was strong in the consumer finance business.'"												
(Household International, Inc. News Release, July 22, 1999)												
"Credit quality continued to improve. The managed delinquency ratio (60+days) declined for the third consecutive quarter to 4.72 percent at June 30, compared with 4.81 percent at March 31 and 4.65 percent a year ago. The annualized managed net chargeoff ratio for the second quarter improved to 4.10 percent, lower than 4.37 percent in the first quarter and 4.26 percent in the year-ago quarter."												
(Household International, Inc. News Release, July 22, 1999)												
"Household reported net income of \$326.9 million for the quarter ended June 30, 1999 and EPS of \$0.67."												
(Household International, Inc. 2099 Report on Form 10-Q, filing date August 16, 1999)												
"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.96 percent, compared with 5.04 percent at March 31, 1999 and 4.89 percent at June 30, 1998. The annualized total consumer owned chargeoff ratio in the second quarter of 1999 was 3.54 percent, compared with 3.92 percent in the prior quarter and 3.69 percent in the year-ago quarter. Managed consumer two-months-and-over contractual delinquency ('delinquency') as a percent of managed consumer receivables was 4.72 percent, compared with 4.81 percent at March 31, 1999 and 4.65 percent at June 30, 1998. The annualized total consumer managed chargeoff ratio in the second quarter of 1999 was 4.10 percent, compared with 4.37 percent in the prior quarter and 4.26 percent in the year-ago quarter."												
(Household International, Inc. 2099 Report on Form 10-Q, filing date August 16, 1999)												

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6		Q7		Q8		Q9		Q10																																										
	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael	Review	Michael																																									
<p>Delinquency</p> <p>Two-Months-and-Over Contractual Managed Delinquency (as a percent of managed consumer receivables):</p> <table border="1"> <tr> <td>6/30/99</td> <td>3/31/99</td> <td>12/31/98</td> <td>9/30/98</td> <td>6/30/98</td> </tr> <tr> <td>12.72%</td> <td>10.91%</td> <td>14.90%</td> <td>11.80%</td> <td>11.07%</td> </tr> <tr> <td>Home equity</td> <td>3.29</td> <td>3.54</td> <td>3.67</td> <td>3.73</td> </tr> <tr> <td>Auto finance</td> <td>1.87</td> <td>1.74</td> <td>2.29</td> <td>2.05</td> </tr> <tr> <td>MasterCard/Visa</td> <td>3.11</td> <td>3.61</td> <td>3.75</td> <td>3.73</td> </tr> <tr> <td>Private label</td> <td>6.62</td> <td>6.37</td> <td>6.20</td> <td>6.55</td> </tr> <tr> <td>Other unsecured</td> <td>8.17</td> <td>7.84</td> <td>7.94</td> <td>8.03</td> </tr> <tr> <td>Total</td> <td>4.72%</td> <td>4.81%</td> <td>4.90%</td> <td>4.96%</td> <td>4.65%</td> </tr> </table>	6/30/99	3/31/99	12/31/98	9/30/98	6/30/98	12.72%	10.91%	14.90%	11.80%	11.07%	Home equity	3.29	3.54	3.67	3.73	Auto finance	1.87	1.74	2.29	2.05	MasterCard/Visa	3.11	3.61	3.75	3.73	Private label	6.62	6.37	6.20	6.55	Other unsecured	8.17	7.84	7.94	8.03	Total	4.72%	4.81%	4.90%	4.96%	4.65%																				
6/30/99	3/31/99	12/31/98	9/30/98	6/30/98																																																									
12.72%	10.91%	14.90%	11.80%	11.07%																																																									
Home equity	3.29	3.54	3.67	3.73																																																									
Auto finance	1.87	1.74	2.29	2.05																																																									
MasterCard/Visa	3.11	3.61	3.75	3.73																																																									
Private label	6.62	6.37	6.20	6.55																																																									
Other unsecured	8.17	7.84	7.94	8.03																																																									
Total	4.72%	4.81%	4.90%	4.96%	4.65%																																																								
<p>(Household International, Inc. 20999 Report on Form 10-Q, filing date August 16, 1999)</p> <p>"Household International today reported that third quarter net income rose 26 percent to a record \$399.9 million, compared with \$318.0 million a year ago. Earnings per share increased 32 percent to a record \$83, from \$63 a year ago."</p>																																																													
<p>(Household International, Inc. News Release, October 19, 1999)</p> <p>"William F. Aldinger, Household's chairman and chief executive officer, said, "Our quarter reflects excellent performance in all of our businesses, with the key drivers being accelerating internal receivable and revenue growth."</p>																																																													
<p>(Household International, Inc. News Release, October 19, 1999)</p> <p>"Credit Quality and Loss Reserves</p> <p>Credit quality remained stable in the quarter and improved from a year ago. The annualized managed net chargeoff ratio for the third quarter was 4.09 percent, compared with 4.10 percent in the second quarter and 4.33 percent in the year-ago quarter. The managed delinquency ratio (60+ days) was 4.89 percent at September 30, compared with 4.72 percent at June 30 and 4.96 percent a year ago."</p>																																																													
<p>(Household International, Inc. News Release, October 19, 1999)</p> <p>Household reported net income of \$399.9 million for the quarter ended September 30, 1999 and EPS of \$0.84.</p>																																																													
<p>(Household International, Inc. 30999 Report on Form 10-Q, filing date November 12, 1999)</p> <p>Ownt consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 3.24 percent at September 30, 1999, compared with 4.56 percent at June 30, 1999 and 5.23 percent at September 30, 1998. The annualized total consumer owned chargeoff ratio was 3.63 percent in the third quarter of 1999, compared with 3.54 percent in the prior quarter and 3.79 percent in the year-ago quarter."</p>																																																													
<p>(Household International, Inc. 30999 Report on Form 10-Q, filing date November 12, 1999)</p> <p>"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.88 percent at September 30, 1999, compared with 4.72 percent at June 30, 1999 and 4.96 percent at September 30, 1998. The annualized total consumer managed chargeoff ratio was 4.09 percent in the third quarter of 1999, compared with 4.10 percent in the prior quarter and 4.33 percent in the year-ago quarter."</p>																																																													
<p>(Household International, Inc. 30999 Report on Form 10-Q, filing date November 12, 1999)</p>																																																													

Challenged Statement	Q1		Q2		Q3		Q4		Q4		Q5		Q6	
	Rate or Measure?	Household	Household	William Aldinger	David Schwalbe	Gary Gilmer	Household	William Aldinger	David Schwalbe	Gary Gilmer	Household	William Aldinger	David Schwalbe	Gary Gilmer
Delinquency Two-Months-and-Over Contractual Managed Delinquency (as a percent of managed consumer receivables):	9/30/99	6/30/99	3/31/99	12/31/98	9/30/98									
First mortgage	12.56%	12.72%	10.91%	14.90%	11.80%									
Home equity	3.46	3.29	3.54	3.67	3.73									
Auto finance	2.26	1.87	1.74	2.29	2.05									
MasterCard/Visa	3.10	3.11	3.61	3.75	3.73									
Private label	6.66	6.62	6.37	6.20	6.55									
Other unsecured	8.57	8.17	7.84	7.94	8.03									
Total	4.89%	4.72%	4.81%	4.90%	4.96%									
<p>(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999)</p> <p>"Credit quality remained relatively stable in the quarter and improved from a year ago. The modest increase in managed delinquency as a percent of managed consumer receivables from the prior quarter was due to the seasoning of our Beneficial home equity and other unsecured products."</p> <p>(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999)</p> <p>"Household International today reported that fourth quarter earnings per share increased 30 percent to a record \$92, from \$71 a year ago. Fourth quarter net income rose 25 percent to a record \$438.8 million, compared with \$349.9 million a year ago. For the full year, Household reported record earnings per share of \$3.07, which was 33 percent over 1998 operating earnings per share. Net income totaled \$1.5 billion, or 29 percent above the prior year's operating net income."</p> <p>(Household International, Inc. News Release, January 19, 2000)</p> <p>"William F. Aldinger, Household's chairman and chief executive officer, said, "We are very pleased to report another record quarter, the culmination of an absolutely outstanding year for Household. Growth and profitability in the quarter were excellent and exceeded our expectations. Revenues were particularly strong.""</p> <p>(Household International, Inc. News Release, January 19, 2000)</p> <p>"Commenting on the full year results, Aldinger continued, "Our record earnings reflect an outstanding year in our consumer finance business, a dramatic turnaround in our MasterCard/Visa business, and strong results in all of our other businesses. We are particularly pleased with excellent receivable growth in 1999, particularly in our branches, while fully realizing all of the acquisition synergies of the Beneficial merger.""</p> <p>(Household International, Inc. News Release, January 19, 2000)</p> <p>"Credit Quality and Loss Reserves</p> <p>Credit quality improved from both the third quarter and a year ago. The annualized managed net chargeoff ratio for the fourth quarter fell 13 basis points to 3.96 percent, the lowest level since 1997. The chargeoff ratio was 4.09 percent in the third quarter and 4.39 percent in the year-ago quarter. The managed delinquency ratio (60+days) improved 23 basis points to 4.66 percent at December 31, compared with 4.89 percent at September 30 and 4.90 percent a year ago."</p> <p>(Household International, Inc. News Release, January 19, 2000)</p>														

Challenged Statement

Household reported net income of \$1,486.4 million and EPS of \$3.10.

(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)
 "Delinquency and Chargeoffs. Our delinquency and net chargeoff ratios reflect, among other factors, the quality of receivables, the average age of our loans, the success of our collection efforts and general economic conditions. . . . We track delinquency and chargeoff trends on an owned and a managed basis. We apply the same credit and portfolio management procedures to both our owned and off-balance sheet portfolios. Our focus is to use risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the asset quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers is helpful in managing net credit losses."

(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)

Managed Two-Month-and-Over Contractual Delinquency Ratios	1999	1998	1997	1996	1995
Home equity	3.27%	3.67%	3.69%	3.04%	2.70%
Auto finance/I/	2.43	2.29	2.09	-	-
MasterCard/Visa	2.78	3.75	3.10	2.73	2.19
Private label	5.97	6.20	5.81	4.60	3.93
Other unsecured	8.81	7.94	7.81	6.21	5.68
Total consumer	4.66%	4.90%	4.64%	3.92%	3.36%

(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)

Ratio of Net Chargeoffs to Average Managed Receivables for the Year	1999	1998	1997	1996	1995
Home equity	.58%	.61%	.64%	.60%	.64%
Auto finance/I/	4.56	5.39	4.60	-	-
MasterCard/Visa	6.66	5.95	5.55	4.54	4.12
Private label	5.65	5.65	4.62	3.42	3.75
Other unsecured	6.52	6.97	5.48	4.29	3.60
Total consumer loan products	4.13	4.29	3.84	2.96	2.51
Commercial	.93	.52	1.66	.92	2.10
Total	4.09%	4.24%	3.80%	2.92%	2.49%

(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)

"Household International today reported that earnings per share rose 20 percent to a first quarter record of \$.78 from \$.63 a year ago. Net income increased to \$372.9 million, up 16 percent from \$320.8 million in the first quarter of 1999."

(Household International, Inc. News Release, April 19, 2000)

"William F. Aldinger, Household's chairman and chief executive officer, said, "This was the strongest first quarter in our company's history, with all of our businesses performing well. Revenue and receivable growth were strong, and credit quality continued to improve."

(Household International, Inc. News Release, April 19, 2000)

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	File for Meeting	Meet	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend	Attend
William F. Aldinger																
David S. Schenck																
Gary Chert																
Robert D. Bennett																
William F. Aldinger																
David S. Schenck																
Gary Chert																
Robert D. Bennett																
William F. Aldinger																
David S. Schenck																
Gary Chert																
Robert D. Bennett																

Challenged Statement	Q1		Q2		Q3		Q4		Q4		Q4		Q4		Q4		
	Player	Match	House	William	David	Gay	House	William	David	Gay	House	William	David	Gay	House	William	
<p>"Credit Quality and Loss Reserves</p> <p>At March 31, the managed delinquency ratio (60-days) declined to 4.43 percent, from 4.56 percent at December 31 and 4.81 percent a year ago. Dollars of delinquency were flat with year-end 1999. The annualized managed net chargeoff ratio for the first quarter was 4.00 percent compared to 3.96 percent in the prior quarter and improved 37 basis points from the year-ago quarter."</p> <p>(Household International, Inc. News Release, April 19, 2000)</p> <p>Household reported net income of \$372.9 million for the quarter ended March 30, 2000 and EPS of \$0.79 per share.</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 10, 2000)</p> <p>"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.58 percent at March 31, 2000, compared with 4.81 percent at December 31, 1999 and 5.04 percent at March 31, 1999. The annualized consumer owned chargeoff ratio was 3.53 percent in the first quarter of 2000, compared with 3.62 percent in the prior quarter and 3.92 percent in the year-ago quarter."</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 10, 2000)</p> <p>"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.43 percent at March 31, 2000, compared with 4.66 percent at December 31, 1999 and 4.81 percent at March 31, 1999. The annualized total consumer managed chargeoff ratio was 4.00 percent in the first quarter of 2000, compared with 3.96 percent in the prior quarter and 4.37 percent in the year-ago quarter."</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 10, 2000)</p> <p>"CREDIT QUALITY</p> <p>We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 10, 2000)</p>																	
<p>Delinquency</p> <p>Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <p>Managed:</p> <p>Real estate secured</p> <p>Auto finance</p> <p>MasterCard/Visa</p> <p>Private label</p> <p>Other unsecured</p> <p>Total</p> <p>Owned</p>	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99												
	2.99%	3.27%	3.46%	3.29%	3.54%												
	1.52	2.43	2.26	1.87	1.74												
	3.06	2.78	3.10	3.11	3.61												
	5.94	5.97	6.66	6.62	6.37												
	8.56	8.81	8.57	8.17	7.84												
	4.43%	4.66%	4.89%	4.72%	4.81%												
	4.58%	4.81%	5.24%	4.96%	5.04%												

(Household International, Inc. 1000 Report on Form 10-Q, filing date May 10, 2000)

"Household International today reported that earnings per share rose to a second quarter record \$80, up 19 percent from \$67 a year ago. Net income increased 17 percent to \$383.9 million, from \$326.9 million in the second quarter of 1999."

(Household International, Inc. News Release, July 19, 2000)

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6	
	Year	Month	Year	Month	Year	Month	Year	Month	Year	Month	Year	Month
"Our second quarter results were highlighted by outstanding receivables and revenue growth and a significant improvement in credit quality," said William F. Aldinger, Household's chairman and chief executive officer."		February		March		April		May		June		July
(Household International, Inc. News Release, July 19, 2000)												
"The company's managed receivables portfolio grew 22 percent from a year ago, totaling almost \$80 billion. The company added \$4.3 billion of receivables in the quarter, an increase of 6 percent. Revenues rose 20 percent compared to the year-ago quarter."												
(Household International, Inc. News Release, July 19, 2000)												
"Aldinger continued, "Our record performance reflects strong sales and marketing results in all of our businesses coupled with our continued focus on risk management and operational efficiency."												
(Household International, Inc. News Release, July 19, 2000)												
"Credit Quality and Loss Reserves Credit quality improved dramatically during the quarter, as delinquency and delinquency declined from first quarter levels. At June 30, the managed delinquency ratio (60-days) improved for the third consecutive quarter, to 4.16 percent. This represented a 27 basis-point improvement from the first quarter and a 56 basis-point improvement from a year ago. The annualized managed net chargeoff ratio for the second quarter fell 26 basis points sequentially, to 3.74 percent. The chargeoff ratio was 4.10 percent a year ago."												
(Household International, Inc. News Release, July 19, 2000)												
"Household reported net income of \$383.9 million for the quarter ended June 30, 2000 and EPS of \$0.80."												
(Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)												
"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.25 percent, compared with 4.58 percent at March 31, 2000 and 4.96 percent at June 30, 1999. The annualized total consumer owned chargeoff ratio in the second quarter of 2000 was 3.27 percent, compared with 3.53 percent in the prior quarter and 3.54 percent in the year-ago quarter."												
(Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)												
"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.16 percent, compared with 4.43 percent at March 31, 2000 and 4.72 percent at June 30, 1999. The annualized total consumer managed chargeoff ratio in the second quarter of 2000 was 3.74 percent, compared with 4.00 percent in the prior quarter and 4.10 percent in the year-ago quarter."												
(Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)												
"CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."												
(Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)												

Challenged Statement	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	File or Misleads?	Motivat	Household	Personal	Business	Client	Household	Business	Client	Household	Business	Client	Household	Business	Client	
	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)	Reason(s)
Delinquency																
Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):	6/30/00	3/31/00	12/31/99	9/30/99	6/30/99											
Managed:	2.72%	2.99%	3.27%	3.46%	3.29%											
Real estate secured	1.99	1.52	2.43	2.26	1.87											
Auto finance	3.14	3.06	2.78	3.10	3.11											
MasterCard/Visa	5.77	5.94	5.97	6.65	6.62											
Private label	7.92	8.56	8.81	8.57	8.17											
Other unsecured	4.16%	4.43%	4.66%	4.89%	4.72%											
Total	4.25%	4.58%	4.81%	5.24%	4.96%											
Owned																
<p>(Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)</p> <p>"Household International today reported . . . (third quarter earnings per share rose 13 percent to \$34, compared to \$33 a year ago. Net income also rose in a third quarter record of \$451.2 million, a 13 percent increase from \$399.9 million a year ago."</p>																
<p>(Household International, Inc. News Release, October 18, 2000)</p> <p>"Our strong third quarter results reflect a combination of outstanding receivables and revenue growth. At the same time, we achieved year-over-year improvements in credit quality," said William F. Alving, Household's chairman and chief executive officer."</p>																
<p>(Household International, Inc. News Release, October 18, 2000)</p> <p>"Credit Quality and Loss Reserves</p> <p>The annualized managed net chargeoff ratio for the third quarter improved for a second consecutive quarter, to 3.47 percent from 3.74 percent in the second quarter. Dollars of net chargeoff also fell for the second consecutive quarter. The third quarter chargeoff ratio dropped 62 basis points from the level of a year ago, with improvement across all products. At September 30, the managed delinquency ratio (60-days) was 4.21 percent, compared with 4.16 percent in the second quarter and significantly below the year-ago level of 4.39 percent."</p>																
<p>(Household International, Inc. News Release, October 18, 2000)</p> <p>"HFC spokesman Craig Strem said that the loan was "not a predatory loan by any definition. . . . Strem says HFC never pressures people to buy credit life insurance."</p>																
<p>(St. Louis Dispatch, November 1, 2000)</p> <p>"Household International support Citigroup's announcement today of its efforts to boost consumer protections at Associates First Capital. Their proposed changes are generally consistent with the stringent policies and procedures that have long been in place at Household International. Household's long-standing view has been that unethical lending practices of any type are abhorrent to our company, employees, and most importantly our customers. So-called 'predatory lending' practices undermine the integrity of the industry in which we compete."</p>																
<p>(Household International, Inc. News Release, November 7, 2000)</p> <p>Household reported net income of \$451.2 million for the quarter ended September 30, 2000 and EPS of \$0.95.</p>																
<p>(Household International, Inc. 3000 Report on Form 10-Q, filing date November 14, 2000)</p>																

Challenged Statement

"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.29 percent at September 30, 2000, compared with 4.25 percent at June 30, 2000 and 5.24 percent at September 30, 1999. The annualized consumer owned charge-off ratio in the third quarter of 2000 was 3.01 percent, compared with 3.27 percent in the prior quarter and 3.63 percent in the year-ago quarter."

"Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)
 "Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.21 percent at September 30, 2000, compared with 4.16 percent at June 30, 2000 and 4.89 percent at September 30, 1999. The annualized consumer managed charge-off ratio in the third quarter of 2000 was 3.47 percent, compared with 3.74 percent in the prior quarter and 4.09 percent in the year-ago quarter."

"CREREDIT QUALITY
 "Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)
 We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."

"Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)

Delinquency	September 30, 2000	June 30, 2000	March 31, 1999	December 31, 1999	September 30, 1999
Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):					
Managed:	4.21%	4.16%	4.89%	3.74%	3.47%
Owned:	4.29%	4.25%	5.24%	3.27%	3.63%
Total Managed:	4.21%	4.16%	4.65%	4.65%	4.81%
Total Owned:	4.29%	4.25%	4.58%	4.81%	5.24%
Real estate se-cured:	2.77%	2.72%	2.99%	3.27%	3.46%
Auto finance:	2.19	1.99	1.52	2.43	2.26
MasterCard/Visa:	3.48	3.14	3.06	2.78	3.10
Private label:	5.67	5.77	5.94	5.97	6.66
Other unsecured:	7.72	7.92	8.56	8.81	8.57
Total Managed:	4.21%	4.16%	4.65%	4.65%	4.81%
Owned:	4.29%	4.25%	4.58%	4.81%	5.24%

"Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)

"Household International today reported full year earnings per share of \$3.55, a 16 percent increase over \$3.07 a year ago and the highest earnings per share in the company's 122-year history. Net income totaled \$1.7 billion, or 14 percent above the prior year. Net managed revenues for the full year increased 18 percent to \$8.9 billion, compared to \$7.5 billion in 1999. Household's fourth quarter earnings per share rose 12 percent to a record \$1.03, from \$0.92 a year ago. Fourth quarter net income rose 12 percent to an all-time high of \$492.7 million, compared with \$438.8 million a year ago."

"Household International, Inc. News Release, January 17, 2001)

"These strong fourth quarter results cap off a terrific year in which we delivered on all of our earnings and growth goals," said William F. Aldinger, Household's chairman and chief executive officer. "Growth and profitability in the quarter were excellent, while credit quality and our balance sheet remained strong."

"Household International, Inc. News Release, January 17, 2001)

	Q1		Q2		Q3		Q4		Q5		Q6		Q7		Q8	
	Rate	Metric	Rate	Metric	Rate	Metric	Rate	Metric	Rate	Metric	Rate	Metric	Rate	Metric	Rate	Metric
Q1																
Q2																
Q3																
Q4																
Q5																
Q6																
Q7																
Q8																

Challenged Statement	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	Private	Merchant	Household	William Adams	David Schenck	Gary Gilmer	Household	William Adams	David Schenck	Gary Gilmer	Household	William Adams	David Schenck	Gary Gilmer	Household	William Adams
"Commenting on the full year results, Aldinger continued, "Our record earnings per share reflected strong top-line growth and improved credit quality."																
"Credit Quality and Loss Reserves The fourth quarter annualized managed net chargeoff ratio improved for the third consecutive quarter to 3.41 percent from 3.47 percent in the third quarter. The fourth quarter chargeoff ratio was 53 basis points lower than a year ago and reached its lowest level since the fourth quarter of 1996. The managed delinquency ratio (60-days) at December 31, 2000 was 4.20 percent, stable with 4.21 percent in the third quarter and 46 basis points better than a year ago."																
"Household International, Inc. News Release, January 17, 2001)																
"Household International, Inc. News Release, January 17, 2001) "Household's position on predatory lending is perfectly clear," said Gary Gilmer, president and CEO of HFC and Beneficial. "Unethical lending practices of any type are abhorrent to our company, our employees, and most importantly, our customers."																
"Household International, Inc. News Release, March 12, 2001) "The company reaffirmed that it fully complies with all applicable federal and state laws and regulations."																
"Household International, Inc. News Release, March 12, 2001) "Gary Gilmer, president and chief executive of Household's subsidiaries HFC and Beneficial, said the company's position on predatory lending is perfectly clear. Unethical lending practices of any type are abhorrent to our company, our employees and most importantly our customers."																
"Origination News, March 23, 2001) Household reported net income of 1,700.7 million and EPS of \$3.99."																
"Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001) "Delinquency and Chargeoffs Our delinquency and net chargeoff ratios reflect, among other factors, changes in the mix of loans in our portfolio, the quality of our receivables, the average age of our loans, the success of our collection efforts and general economic conditions. ... We track delinquency and chargeoff levels on both an owned and a managed basis. We apply the same credit and portfolio management procedures to both our owned and off-balance sheet portfolios. Our focus is to use risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the credit quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers is helpful in managing net credit losses."																
"Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001)																

CONSUMER TWO-MONTH AND-OVER CONTRACTUAL DELINQUENCY RATIOS	2000 Quarter End				1999 Quarter End			
	4	3	2	1	4	3	2	1
Managed/Real estate secured	2.63%	2.77%	2.72%	2.99%	3.27%	3.46%	3.29%	3.54%
Auto finance	2.55	2.19	1.99	1.52	2.43	2.26	1.87	1.74
MasterCard/VISA	3.49	3.48	3.14	3.06	2.78	3.10	3.11	3.61
Private label/unsecured	5.48	5.67	5.77	5.94	5.97	6.66	6.62	6.37
Other	7.97	7.72	7.92	8.36	8.81	8.57	8.17	7.84
Total Managed	4.20%	4.21%	4.16%	4.43%	4.66%	4.89%	4.72%	4.81%
Total Owned	4.26%	4.29%	4.25%	4.58%	4.81%	5.24%	4.96%	5.04%

(Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001)																			
"Household International today reported that earnings per share rose 17 percent to a first quarter record of \$391, from \$378 a year ago. Net income increased to \$431.8 million, up 16 percent from \$372.9 million in the first quarter of 2000. This quarter marked the 11 th consecutive quarter of record results."																			
(Household International, Inc. News Release, April 18, 2001)																			
"William F. Aldinger, Household's chairman and chief executive officer, said, "Our outstanding results reflect the sustainability and earnings power of our franchise. Receivables and revenues grew nicely in the quarter. At the same time, credit quality remained stable and we strengthened our balance sheet."																			
(Household International, Inc. News Release, April 18, 2001)																			
"Credit Quality and Loss Reserves At March 31, the managed delinquency ratio (90+days) was 4.25 percent, compared to 4.43 percent a year ago and 4.20 percent at December 31, 2000. The annualized managed net chargeoff ratio for the first quarter was 3.56 percent, a 44 basis points improvement from the year-ago quarter and up modestly from 3.41 percent in the prior quarter."																			
(Household International, Inc. News Release, April 18, 2001)																			
Household reported net income of \$431.8 million for the quarter ended March 31, 2001 and EPS of \$0.92.																			
(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)																			
"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.26 percent at March 31, 2001, compared with 4.26 percent at December 31, 2000 and 4.58 percent at March 31, 2000. The annualized consumer owned chargeoff ratio in the first quarter of 2001 was 3.12 percent, compared with 2.98 percent in the prior quarter and 3.57 percent in the year-ago quarter."																			
(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)																			

Challenged Statement	Q1		Q2		Q3		Q4		Q5																																																	
	Page #	Metadata	Page #	Metadata	Page #	Metadata	Page #	Metadata	Page #	Metadata																																																
<p>"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.25 percent at March 31, 2001, compared with 4.20 percent at December 31, 2000 and 4.43 percent at March 31, 2000. The annualized consumer managed chargeoff ratio in the first quarter of 2001 was 3.56 percent, compared with 3.41 percent in the prior quarter and 4.00 percent in the year-ago quarter."</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)</p> <p>"CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."</p> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)</p>																																																										
<p>Delinquency (Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>March 31, 2001</th> <th>December 31, 2000</th> <th>September 30, 2000</th> <th>June 30, 2000</th> <th>March 31, 2000</th> </tr> </thead> <tbody> <tr> <td>Managed:</td> <td>2.61%</td> <td>2.63%</td> <td>2.77%</td> <td>2.72%</td> <td>2.99%</td> </tr> <tr> <td>Real estate secured</td> <td>1.79</td> <td>2.55</td> <td>2.19</td> <td>1.99</td> <td>1.52</td> </tr> <tr> <td>Auto finance</td> <td>3.68</td> <td>3.49</td> <td>3.48</td> <td>3.14</td> <td>3.06</td> </tr> <tr> <td>MasterCard/Visa</td> <td>5.50</td> <td>5.48</td> <td>5.67</td> <td>5.77</td> <td>5.94</td> </tr> <tr> <td>Other</td> <td>8.37</td> <td>7.97</td> <td>7.72</td> <td>7.92</td> <td>8.56</td> </tr> <tr> <td>Unsecured</td> <td>4.25%</td> <td>4.20%</td> <td>4.21%</td> <td>4.16%</td> <td>4.43%</td> </tr> <tr> <td>Total managed</td> <td>4.36%</td> <td>4.26%</td> <td>4.29%</td> <td>4.25%</td> <td>4.58%</td> </tr> </tbody> </table> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)</p> <p>"Household International today reported record earnings per share of \$.93, up 16 percent from a year ago. Net income rose 14 percent, to \$439.0 million, from \$383.9 million for the second quarter of 2000."</p> <p>(Household International, Inc. News Release, July 18, 2001)</p> <p>"William F. Aldinger, Household's chairman and chief executive officer, said, "We had a terrific quarter -- our 12th consecutive quarter of record results. Given the softening economic environment, I am particularly pleased with our ability to consistently deliver strong, quality earnings. ..."</p> <p>(Household International, Inc. News Release, July 18, 2001)</p> <p>"Results for the quarter were excellent," Aldinger added. "We enjoyed strong receivable and revenue growth compared to a year ago, with all of our businesses performing well. In addition, delinquency was stable in the quarter. ..."</p> <p>(Household International, Inc. News Release, July 18, 2001)</p>		March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	March 31, 2000	Managed:	2.61%	2.63%	2.77%	2.72%	2.99%	Real estate secured	1.79	2.55	2.19	1.99	1.52	Auto finance	3.68	3.49	3.48	3.14	3.06	MasterCard/Visa	5.50	5.48	5.67	5.77	5.94	Other	8.37	7.97	7.72	7.92	8.56	Unsecured	4.25%	4.20%	4.21%	4.16%	4.43%	Total managed	4.36%	4.26%	4.29%	4.25%	4.58%										
	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	March 31, 2000																																																					
Managed:	2.61%	2.63%	2.77%	2.72%	2.99%																																																					
Real estate secured	1.79	2.55	2.19	1.99	1.52																																																					
Auto finance	3.68	3.49	3.48	3.14	3.06																																																					
MasterCard/Visa	5.50	5.48	5.67	5.77	5.94																																																					
Other	8.37	7.97	7.72	7.92	8.56																																																					
Unsecured	4.25%	4.20%	4.21%	4.16%	4.43%																																																					
Total managed	4.36%	4.26%	4.29%	4.25%	4.58%																																																					

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6		Q7		Q8	
	Value at Indebtedness	Market	Household	Household Address	Household	Household Address	Household	Household Address	Household	Household Address	Household	Household Address	Household	Household Address	Household	Household Address
"Credit Quality and Loss Reserves At June 30 th , the managed delinquency ratio (60+days) was 4.27 percent, stable with 4.25 percent in the first quarter. The managed delinquency ratio a year ago was 4.16 percent. The annualized managed net chargeoff ratio for the second quarter was 3.71 percent, essentially unchanged from the year-ago quarter and up modestly from 3.56 percent in the first quarter." (Household International, Inc. News Release, July 18, 2001) "It's not tied to hearings or activism or anything else in particular," said Craig Stream, a spokesman for Household, which is based in Prospect Heights, Ill. "We've been working on these for quite some time. So, it really is a coincidence." (The New York Times, July 24, 2001) "Megan Hayden, a Household spokeswoman, said that terms of loans are disclosed to all customers, as required by state and federal laws. "Frankly, you don't stay in business in this industry by taking advantage of your customers," she said. "So I take exception to any characterization that we engage in predatory lending practices." (Star Tribune/Minnneapolis, MN, July 27, 2001) (Household reported net income of \$439 million for the quarter ended June 30, 2001 and EPS of \$0.94.)																
"Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001) "Q1 owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.48 percent at June 30, 2001, compared with 4.25 percent at March 31, 2001 and 4.25 percent at June 30, 2000. The annualized consumer owned chargeoff ratio in the second quarter of 2001 was 3.26 percent, compared with 3.12 percent in the prior quarter and 3.27 percent in the year-ago quarter." (Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001) "Managed consumer two-months and over contractual delinquency as a percent of managed consumer receivables was 4.27 percent at June 30, 2001, compared with 4.25 percent at March 31, 2001 and 4.16 percent at June 30, 2000. The annualized consumer managed chargeoff ratio in the second quarter of 2001 was 3.71 percent, compared with 3.56 percent in the prior quarter and 3.74 percent in the year-ago quarter." (Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001) "CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio." (Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001)																

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6											
	Price	Market	Headline	Headline	Headline	Headline	Headline	Headline	Headline	Headline	Headline	Headline										
<p>Delinquency</p> <p>Two-Months-and-Over Commercial Delinquency (as a percent of consumer receivables):</p> <table border="1"> <tr> <td>June 30, 2001</td> <td>March 31, 2001</td> <td>December 31, 2000</td> <td>September 30, 2000</td> <td>June 30, 2000</td> </tr> <tr> <td>2.63%</td> <td>2.61%</td> <td>2.63%</td> <td>2.77%</td> <td>2.72%</td> </tr> </table> <p>Real estate: 2.63% 2.61% 2.63% 2.77% 2.72%</p> <p>Secured: 2.09 1.79 2.55 2.19 1.99</p> <p>Auto finance: 3.60 3.68 3.49 3.48 3.14</p> <p>MasterCard: 5.66 5.50 5.48 5.67 5.77</p> <p>Visa: 8.43 8.37 7.97 7.72 7.92</p> <p>Other: 4.27% 4.23% 4.20% 4.21% 4.16%</p> <p>Unseasoned: 4.27% 4.23% 4.20% 4.21% 4.16%</p> <p>Total managed: 4.48% 4.36% 4.26% 4.29% 4.25%</p> <p>Owned: 4.48% 4.36% 4.26% 4.29% 4.25%</p>	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	2.63%	2.61%	2.63%	2.77%	2.72%												
June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000																		
2.63%	2.61%	2.63%	2.77%	2.72%																		
<p>(Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001)</p> <p>"Household International today reported ... [earnings per share of \$1.07] rose 14 percent from \$0.94 the prior year. Net income increased 12 percent, to \$304 million, from \$451 million in the third quarter of 2000."</p>																						
<p>(Household International, Inc. News Release, October 17, 2001)</p> <p>"Household's performance this year has been outstanding, even as the economy has continued to weaken," said William F. Aldinger, chairman and chief executive officer. "The third quarter was no exception. Receivable and revenue growth were strong, and credit performance was within our expectations."</p>																						
<p>(Household International, Inc. News Release, October 17, 2001)</p> <p>"Credit Quality and Loss Reserves</p> <p>At September 30, the managed delinquency ratio (60+ days) was 4.43 percent, compared to 4.27 percent in the second quarter and 4.21 percent a year ago. The sequential increase was across all products and was well within company expectations. The annualized managed net chargeoff ratio for the third quarter was 3.74 percent, up slightly from 3.71 percent in the second quarter. The managed net chargeoff ratio was 3.47 percent in the prior-year quarter."</p>																						
<p>(Household International, Inc. News Release, October 17, 2001)</p> <p>"Household spokesperson Megan Hayden denied the company engaged in predatory lending through its Beneficial and Household Finance subsidiaries, even as she pointed to steps the company took this year to end some of its most criticized practices. Hayden said the problem involved not her company, but "rogue lenders."</p>																						
<p>(Associated Press, October 31, 2001)</p> <p>Household reported net income of \$503.8 million for the quarter ended June 30, 2001 and EPS of \$1.09.</p>																						
<p>(Household International, Inc. 2001 Report on Form 10-Q, filing date November 14, 2001)</p>																						

Challenged Statement	Q1		Q2		Q3		Q4		Q4		Q1		Q2	
	Player	Material	Household	Richard Martin	William Allen	David Schenck	Greg	Household	Richard Martin	William Allen	David Schenck	Greg	Household	Richard Martin
<p>HOUSEHOLD IS ACCUSED OF: Rolling over late loans by adding missed payments to ends of loans, thus masking delinquencies Delaying reorigination of charge-offs to boost earnings Moving loans from its bank subsidiary to minimize need for reserves Cutting on balance sheet reserves, though its portfolio is riskier</p>														
<p>HOUSEHOLD REPLIES: The practice is an industry norm, and collection rates improve after loans are "re-aged" Change-off policy follows industry standards closely Applying bank regulatory rules would barely increase the amount of charge-offs Total reserves are at the highest level in company history</p>														
<p><i>(Business Week, December 10, 2001)</i> "Household International today reported fourth quarter earnings per share of \$1.17, its fourteenth consecutive record quarter. Fourth quarter earnings per share rose 14 percent from \$1.03 the prior year. Net income in the fourth quarter increased 11 percent, to an all-time quarterly record of \$399 million. For the full year, Household reported earnings per share of \$4.08, representing a 15 percent increase from \$3.55 in 2000. Net income for 2001 totaled \$1.9 billion, also an all-time high, 13 percent above \$1.7 billion earned in 2000."</p>														
<p>"Household's fourth quarter results were simply outstanding," said William F. Aldinger, chairman and chief executive officer, "demonstrating the tremendous strength and earnings power of the Household franchise. Receivable and revenue growth exceeded our expectations while credit indicators weakened only modestly in a tough economic environment."</p>														
<p>"Household International, Inc. News Release, January 16, 2002) "Commenting on the full-year results, Aldinger added, "In 2001, we demonstrated that our business model generates superior results in a weak economy as well as in the strong economic periods of previous years. Exceptional revenue growth of 18 percent more than offset the increases in credit losses during the year." (Household International, Inc. News Release, January 16, 2002)</p>														
<p>"Credit Quality and Loss Reserves At December 31, the managed delinquency ratio (60+days) was 4.46 percent, up 3 basis points from 4.13 percent in the third quarter. The managed delinquency ratio was 4.20 percent a year ago. The annualized managed net chargeoff ratio for the fourth quarter was 3.90 percent, up 16 basis points from 3.74 percent in the third quarter. The managed net chargeoff ratio in the year-ago quarter was 3.41 percent." (Household International, Inc. News Release, January 16, 2002)</p>														
<p>"You simply cannot stay in business for 125 years by mistreating your borrowers," said Household's Morgan Hayden. "We do the right thing for our borrowers. We make good loans that not only are legal loans, but are beneficial for our customers." (Copley News Service, February 6, 2002)</p>														
<p>"Household International's vice chairman and chief financial officer, David A. Schenck, commented on the [ACORN] complaint in a investors' conference call saying, "... Our first take on this is that it is not a significant issue, not indicative of any widespread problem and certainly not a concern that it will spread elsewhere." (National Mortgage News, February 18, 2002)</p>														

Challenge Statement	Q1		Q2		Q3		Q4		Q1b		Q1c		Q2		Q3	
	Fake or Misleading?	Misleading?	Household Address	William Adlger	Household Address	William Adlger	Household Address	William Adlger	Pauline Dunsford	David Schenck	Gay Chene	Household Address	William Adlger	David Schenck	Gay Chene	Household Address
Household reported Net Income of \$1,923.5 million in 2001, and EPS of \$4.13																
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																
"Our credit and portfolio management procedures focus on risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the credit quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers, as well as policies designed to manage customer relationships, such as reaging delinquent accounts to current in specific situations, are helpful in maximizing customer collections."																
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																
"...2001 charge-off and delinquency performance has been well within our expectations."																
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																
"We believe our policies are responsive to the specific needs of the customer segment we serve. . . . Our policies have been consistently applied and there have been no significant changes to any of our policies during any of the periods reported. Our loss reserve estimates consider our charge-off policies to ensure appropriate reserves exist for products with longer charge-off lives. We believe our charge-off policies are appropriate and result in proper loss recognition."																
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																
"Our policies for consumer receivables permit reset of the contractual delinquency status of an account to current, subject to certain limits. It is a predetermined number of consecutive payments has been received and there is evidence that the reason for the delinquency has been cured. Such reaging policies vary by product and are designed to manage customer relationships and maximize collections."																
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																
Household International, Inc. and Subsidiaries CREDIT QUALITY STATISTICS - OWNED BASIS All dollar amounts are stated in millions																
At December 31, unless otherwise indicated:																
Owned Two-Month-and-Over Contractual Delinquency Ratios																
Real estate secured	2.63%	2.58%	3.10%	3.95%	3.66%											
Auto finance	2.92	2.46	2.02	2.90	1.48											
MasterCard/ Visa	5.67	4.90	3.59	5.09	3.55											
Private label	5.99	5.60	6.09	6.03	5.60											
Personal non-credit card	9.04	7.99	9.06	8.24	7.55											
Total consumer	4.53%	4.26%	4.82%	5.31%	4.81%											
(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)																

Challenged Statement	Q1				Q2				Q3				Q4				Q5				Q6																																														
	File or Mailing?	Miscell?	Household	Personal Media Statement	File or Mailing?	Miscell?	Household	Personal Media Statement	File or Mailing?	Miscell?	Household	Personal Media Statement	File or Mailing?	Miscell?	Household	Personal Media Statement	File or Mailing?	Miscell?	Household	Personal Media Statement	File or Mailing?	Miscell?	Household	Personal Media Statement																																											
<p>Household International, Inc. and Subsidiaries CREDIT QUALITY STATISTICS - MAWAQED BASIS All dollar amounts are stated in millions. As of December 31, unless otherwise indicated.</p> <table border="1"> <thead> <tr> <th>Managed Two-Month-and-Over Contractual Delinquency Ratios</th> <th>2001</th> <th>2000</th> <th>1999</th> <th>1998</th> <th>1997</th> </tr> </thead> <tbody> <tr> <td>Real estate secured</td> <td>2.88%</td> <td>2.63%</td> <td>3.27%</td> <td>3.67%</td> <td>3.69%</td> </tr> <tr> <td>Auto finance</td> <td>3.16</td> <td>2.55</td> <td>2.43</td> <td>2.29</td> <td>2.09</td> </tr> <tr> <td>MasterCard/Visa</td> <td>4.10</td> <td>3.49</td> <td>2.78</td> <td>3.75</td> <td>3.10</td> </tr> <tr> <td>Private label</td> <td>5.48</td> <td>5.48</td> <td>5.97</td> <td>6.20</td> <td>5.81</td> </tr> <tr> <td>Personal non-credit card</td> <td>8.87</td> <td>7.97</td> <td>8.81</td> <td>7.94</td> <td>7.81</td> </tr> <tr> <td>Total consumer</td> <td>4.46%</td> <td>4.20%</td> <td>4.66%</td> <td>4.90%</td> <td>4.64%</td> </tr> </tbody> </table>	Managed Two-Month-and-Over Contractual Delinquency Ratios	2001	2000	1999	1998	1997	Real estate secured	2.88%	2.63%	3.27%	3.67%	3.69%	Auto finance	3.16	2.55	2.43	2.29	2.09	MasterCard/Visa	4.10	3.49	2.78	3.75	3.10	Private label	5.48	5.48	5.97	6.20	5.81	Personal non-credit card	8.87	7.97	8.81	7.94	7.81	Total consumer	4.46%	4.20%	4.66%	4.90%	4.64%																									
Managed Two-Month-and-Over Contractual Delinquency Ratios	2001	2000	1999	1998	1997																																																														
Real estate secured	2.88%	2.63%	3.27%	3.67%	3.69%																																																														
Auto finance	3.16	2.55	2.43	2.29	2.09																																																														
MasterCard/Visa	4.10	3.49	2.78	3.75	3.10																																																														
Private label	5.48	5.48	5.97	6.20	5.81																																																														
Personal non-credit card	8.87	7.97	8.81	7.94	7.81																																																														
Total consumer	4.46%	4.20%	4.66%	4.90%	4.64%																																																														
<p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002) "Management has long recognized its responsibility for conducting the company's affairs in a manner which is responsive to the interest of employees, shareholders, investors and society in general. This responsibility is included in the statement of policy on ethical standards which provides that the company will fully comply with laws, rules and regulations of every community in which it operates and adhere to the highest ethical standards. Officers, employees and agents of the company are expected and directed to manage the business of the company with complete honesty, candor and integrity."</p>																																																																			
<p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002) "Credit Quality Trend Manageable, Modest Increases" (chart on HHS 01883530)</p>																																																																			
<p>(Household International Financial Relations Conference, April 9, 2002) Credit Policies Overview In some cases, charge-off policy is longer than bank policy to optimize customer management"</p>																																																																			
<p>(Household International Financial Relations Conference, April 9, 2002) Recharge Policies Overview Recharge policies are an inherent part of value proposition for our customers for which they pay above bank prices Not intended to defer credit loss recognition or to overstate net income. Policies have been consistently applied and are appropriate for each product"</p>																																																																			
<p>(Household International Financial Relations Conference, April 9, 2002) Credit Policies - Personal Non-Credit Card Restructures ... If an account is over 90+, lifetime limit of 4 restructures allowed"</p>																																																																			
<p>(Household International Financial Relations Conference, April 9, 2002)</p>																																																																			

Challenged Statement	Q1		Q2		Q3		Q4		Q1		Q2		Q3		Q4	
	False or Misleading?	Material?	Household	Adinger	Household	Adinger	Household	Adinger	Household	Adinger	Household	Adinger	Household	Adinger	Household	Adinger
Defendants issued false or misleading information regarding Household's asset portfolio in a number of charts included in Exhibit _____ (insert charts on HHS01883561, HHS01883562, HHS01883564, HHS01883565, HHS01883566, HHS01883567)																
(Household International Financial Relations Conference, April 9, 2002) "Household International today reported first quarter earnings per share of \$1.09, its fifteenth consecutive record quarter. First quarter earnings per share rose 20 percent from \$.91 the prior year. Net income in the first quarter increased 18 percent, to a record \$511 million."																
(Household International, Inc. News Release, April 17, 2002) "Household earned in a very strong first quarter," said William F. Adinger, Household's chairman and chief executive officer. "... In addition to delivering record results this quarter, we strongly added to our capital and reserve levels and further enhanced liquidity. We remain committed to maintaining a strong balance sheet and maximum financial flexibility."																
(Household International, Inc. News Release, April 17, 2002) "Our credit quality performance was well within our expectations in light of the continued weakness in the economy, Adinger continued. "We anticipate a very manageable credit environment for the remainder of the year."																
(Household International, Inc. News Release, April 17, 2002) "Credit Quality and Loss Reserves At March 31 st , the managed basis delinquency ratio (90+days) was 4.63 percent, up 17 basis points from 4.46 percent at year-end 2001 and up 38 basis points from 4.25 percent a year ago. The annualized managed basis net charge-off ratio for the first quarter of 2001 increased 19 basis points from 3.90 percent in the fourth quarter of 2001."																
(Household International, Inc. News Release, April 17, 2002) "The owner basis delinquency ratio at March 31 st was 4.77 percent, compared to 4.53 percent at December 31 st and 4.36 percent a year ago. The annualized owner basis charge-off ratio for the first quarter was 3.61 percent compared to 3.43 percent in the previous quarter and 3.12 percent a year ago."																
(Household International, Inc. News Release, April 17, 2002) "It is absolutely against our policy to in any way quote a rate that is different than what the two rate is," Hayden said. "I can't underscore that enough."																
(The Bellingham Herald, April 22, 2002) "Household quickly denied that it mistreats customers. ... In response to the latest suit, Household denied that it mistreats customers. "Aaorn continues to launch baseless accusations and lawsuits rather than work to enact real solutions to help eliminate predatory lending from the marketplace," the lender's statement said."																
(Chicago Tribune, May 3, 2002) Household reported net income of \$511 million, and EPS of \$1.10.																
(Household International, Inc. 10Q2 Report on Form 10-Q, filing date May 10, 2002)																

Q1	Q2	Q3	Q4	Q5	Challenged Statement																													
					Bank of America	Challenged Statement																												
						<p>CREDIT QUALITY</p> <p>Delinquency - Owned Basis</p> <p>1-two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>March 31, 2002</th> <th>December 31, 2001</th> <th>March 31, 2001</th> </tr> </thead> <tbody> <tr> <td>Real estate secured</td> <td>2.88%</td> <td>2.63%</td> <td>2.53%</td> </tr> <tr> <td>Auto finance</td> <td>2.04</td> <td>2.92</td> <td>1.74</td> </tr> <tr> <td>MasterCard/Visa</td> <td>6.54</td> <td>5.67</td> <td>5.02</td> </tr> <tr> <td>Private label</td> <td>6.33</td> <td>5.99</td> <td>5.62</td> </tr> <tr> <td>Personal non-credit card</td> <td>9.60</td> <td>9.04</td> <td>8.79</td> </tr> <tr> <td>Total Owned</td> <td>4.77%</td> <td>4.53%</td> <td>4.36%</td> </tr> </tbody> </table>		March 31, 2002	December 31, 2001	March 31, 2001	Real estate secured	2.88%	2.63%	2.53%	Auto finance	2.04	2.92	1.74	MasterCard/Visa	6.54	5.67	5.02	Private label	6.33	5.99	5.62	Personal non-credit card	9.60	9.04	8.79	Total Owned	4.77%	4.53%	4.36%
	March 31, 2002	December 31, 2001	March 31, 2001																															
Real estate secured	2.88%	2.63%	2.53%																															
Auto finance	2.04	2.92	1.74																															
MasterCard/Visa	6.54	5.67	5.02																															
Private label	6.33	5.99	5.62																															
Personal non-credit card	9.60	9.04	8.79																															
Total Owned	4.77%	4.53%	4.36%																															
						<p>(Household International, Inc. 1Q02 Report on Form 10-Q, filing date May 10, 2002)</p> <p>"Our position is that the accusations are baseless," Hayden said. "The loans are legal, they are compliant with state and federal laws and our own policies, and in each instance they have benefited for each customer. . . . Hayden says the loan conforms to the company's 'tangible benefits test.'"</p>																												
						<p>(The Record (Bergen County, NJ) May 10, 2002)</p> <p>"All of our lending policies are in accord with federal and state regulations and requirements," Screen said."</p>																												
						<p>(Associated Press Online, May 14, 2002)</p> <p>"It is our regulators' and the attorney general's job to investigate any complaints brought forth by consumers in their state, and we don't find anything unique or surprising that they are doing their job," (Hayden) said. "As part of that they, of course, bring forth these issues to us and we take proper steps to work with the department to uncover the facts and if necessary formulate an appropriate resolution for the borrower."</p>																												
						<p>(American Banker, May 31, 2002)</p> <p>"Some customers' in Bethlehem, 'may indeed have been justified in their confusion about the rate of their loan,' she said. Ms. Hayden said Household 'took full and prompt responsibility.' Household, she said, is 'satisfied that this situation was localized to the Bethlehem branch.'"</p>																												
						<p>(American Banker, May 31, 2002)</p> <p>"Household International officials deny any pattern of wrongdoing and say the company is open to changes in its lending practices if they are harmful to consumers. 'We've made mistakes,' said Megan Hayden, spokeswoman for the Prospect Heights, Ill., company. 'Is there a company-wide pattern of abuse? Absolutely not.'"</p>																												
						<p>(The Oregonian, July 2, 2002)</p> <p>Household International today reported second quarter earnings per share increased 16 percent to \$1.08 from \$.93 the prior year. Those results mark Household's sixth consecutive record quarter. Second quarter net income increased 17 percent, to a record \$514 million."</p>																												
						<p>(Household International, Inc. News Release, July 17, 2002)</p>																												

	Q1	Q2	Q3		Q4		Q4		Q5	Q6	
	Mark Manning?	Mark Manning?	Edward Manning William Adinger	Edward Manning David Schwabert	Gay Chlor	Edward Manning William Adinger	Edward Manning David Schwabert	Gay Chlor	Edward Manning William Adinger	Edward Manning David Schwabert	Gay Chlor
Challenged Statement											
"Our results this quarter were fueled by ongoing strong demand for our loan products," said William F. Aldinger, Household's chairman and chief executive officer. "Growth this quarter was strong, while we have maintained our conservative underwriting criteria."											
(Household International, Inc. News Release, July 17, 2002)											
Credit Quality and Loss Reserves											
At June 30 th , the managed basis delinquency ratio (90+days) was 4.53 percent, down 10 basis points from 4.63 percent at the end of March, led by improvement in the MasterCard/Visa portfolio. The managed basis delinquency ratio was 4.27 percent a year ago. The annualized managed basis net charge-off ratio for the second quarter of 4.26 percent was 17 basis points higher than the first quarter and 55 basis points higher than a year ago."											
(Household International, Inc. News Release, July 17, 2002)											
"The owned basis delinquency ratio at June 30 th was 4.61 percent, compared to 4.77 percent at March 31 st and 4.48 percent a year ago. The annualized owned basis net charge-off ratio for the second quarter was 3.76 percent compared to 3.61 percent in the previous quarter and 3.26 a year ago."											
(Household International, Inc. News Release, August 14, 2002)											
"Household International, Inc. News Release, August 14, 2002)											
"Household International, Inc. News Release, August 14, 2002)											
"Household International, Inc. News Release, August 14, 2002)											
"Household International, Inc. News Release, August 14, 2002)											
CRREDIT QUALITY											
Delinquency - Owned Basis											
Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):											
	June 30, 2002	March 31, 2002	June 30, 2001								
Real estate secured	2.78%	2.88%	2.59%								
Auto finance	2.99	2.04	2.35								
MasterCard/Visa	6.13	6.54	4.80								
Private label	6.19	6.33	6.54								
Personal non-credit card	9.12	9.60	8.79								
Total Owned	4.61%	4.77%	4.48%								
(Household International, Inc. 2002 Report on Form 10-Q, filing date August 14, 2002)											
"Our credit policies for consumer loans permit the reset of the contractual delinquency status of an account to current, subject to certain limits, if a predetermined number of consecutive payments has been received and there is evidence that the reason for the delinquency has been cured. Such resetting policies vary by product and are designed to manage customer relationships and assure maximum collections."											
(Household International, Inc. 2002 Report on Form 10-Q, filing date August 14, 2002)											

Challenged Statement	Q1		Q2		Q3		Q4		Q5		Q6		Q7		Q8	
	Kevin Madeline*	Martha	Harold	Ernesto Maria Siment	David Siment	Gay	Household	William	David	Gay	Household	William	David	Gay	Household	William
"We clearly follow all state and federal laws and regulations," Household spokeswoman Megan Hayden said. (Origination News, September 2002) "A Household spokeswoman said she is not aware of any pending enforcement actions or settlements talks." (National Mortgage News, September 2, 2002)																

INFLATION TABLE

Use this table with Part B of the Verdict Form.

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
No. 1						
1	"Household International today reported that second quarter net income rose 31 percent to a record \$326.9 million, compared with operating net income of \$249.4 million a year ago. Earnings per share increased 37 percent to a record \$.67, compared with operating EPS of \$.49 a year ago. Cash basis EPS for the quarter rose 28 percent to \$.74"		7/22/1999	\$	\$	\$
	(Household International, Inc. News Release, July 22, 1999)					
2	"William F. Aldinger, Household's chairman and chief executive officer, said, 'Our results, a second quarter record, highlight the growth and improved profitability of our consumer finance businesses.'"	[example / to be completed when disclosures have been identified]	[date]	\$		\$
	(Household International, Inc. News Release, July 22, 1999)		7/22/1999	\$	\$	\$
3	"Aldinger continued, 'Business fundamentals are strong and reflect the positive trends we have seen since late last year. Our net interest margin percentage expanded substantially, credit quality improved and costs remained well under control. Receivable growth was strong in the consumer finance business.'"		7/22/1999	\$	\$	\$
	(Household International, Inc. News Release, July 22, 1999)					

The numbers in this column correspond to the numbers assigned to the Challenged Statements on the Verdict Table.

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
4	<p>"Credit quality continued to improve. The managed delinquency ratio (60+ days) declined for the third consecutive quarter to 4.72 percent at June 30, compared with 4.81 percent at March 31 and 4.65 percent a year ago. The annualized managed net chargeoff ratio for the second quarter improved to 4.10 percent, lower than 4.37 percent in the first quarter and 4.26 percent in the year-ago quarter."</p> <p>(Household International, Inc. News Release, July 22, 1999)</p>	[example / to be completed when disclosures have been identified]	[date]	\$	\$	\$
5	<p>Household reported net income of \$326.9 million for the quarter ended June 30, 1999 and EPS of \$0.67.</p> <p>(Household International, Inc. 2Q99 Report on Form 10-Q, filing date August 16, 1999)</p>		8/16/1999	\$	\$	\$
6	<p>"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.96 percent, compared with 5.04 percent at March 31, 1999 and 4.89 percent at June 30, 1998. The annualized total consumer owned chargeoff ratio in the second quarter of 1999 was 3.54 percent, compared with 3.92 percent in the prior quarter and 3.69 percent in the year-ago quarter. Managed consumer two-months-and-over contractual delinquency ("delinquency") as a percent of managed consumer receivables was 4.72 percent, compared with 4.81 percent at March 31, 1999 and 4.65 percent at June 30, 1998. The annualized total consumer managed chargeoff ratio in the second quarter of 1999 was 4.10 percent, compared with 4.37 percent in the prior quarter and 4.26 percent in the year-ago quarter."</p> <p>(Household International, Inc. 2Q99 Report on Form 10-Q, filing date August 16, 1999)</p>		8/16/1999	\$	\$	\$

No. 1	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																													
	Challenged Statement	Disclosure	Date	Price Per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in Inflation due to disclosure																																													
7	<p>Delinquency ... Two-Months-and-Over Contractual Managed Delinquency (as a percent of managed consumer receivables):</p> <table border="1" data-bbox="889 1444 1149 1707"> <tr> <td>6/30/99</td> <td>3/31/99</td> <td>12/31/98</td> <td>9/30/98</td> <td>6/30/98</td> </tr> <tr> <td>12.72%</td> <td>10.91%</td> <td>14.90%</td> <td>11.80%</td> <td>11.07%</td> </tr> <tr> <td>First mortgage</td> <td>3.29</td> <td>3.54</td> <td>3.67</td> <td>3.73</td> </tr> <tr> <td>Home equity</td> <td>1.87</td> <td>1.74</td> <td>2.29</td> <td>2.05</td> </tr> <tr> <td>Auto finance</td> <td>3.11</td> <td>3.61</td> <td>3.75</td> <td>3.73</td> </tr> <tr> <td>MasterCard/Visa</td> <td>6.62</td> <td>6.37</td> <td>6.20</td> <td>6.55</td> </tr> <tr> <td>Private label</td> <td>8.17</td> <td>7.84</td> <td>7.94</td> <td>8.03</td> </tr> <tr> <td>Other unsecured</td> <td>4.72%</td> <td>4.81%</td> <td>4.90%</td> <td>4.96%</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td></td> <td>4.65%</td> </tr> </table>	6/30/99	3/31/99	12/31/98	9/30/98	6/30/98	12.72%	10.91%	14.90%	11.80%	11.07%	First mortgage	3.29	3.54	3.67	3.73	Home equity	1.87	1.74	2.29	2.05	Auto finance	3.11	3.61	3.75	3.73	MasterCard/Visa	6.62	6.37	6.20	6.55	Private label	8.17	7.84	7.94	8.03	Other unsecured	4.72%	4.81%	4.90%	4.96%	Total				4.65%		8/16/1999	\$	\$	
6/30/99	3/31/99	12/31/98	9/30/98	6/30/98																																															
12.72%	10.91%	14.90%	11.80%	11.07%																																															
First mortgage	3.29	3.54	3.67	3.73																																															
Home equity	1.87	1.74	2.29	2.05																																															
Auto finance	3.11	3.61	3.75	3.73																																															
MasterCard/Visa	6.62	6.37	6.20	6.55																																															
Private label	8.17	7.84	7.94	8.03																																															
Other unsecured	4.72%	4.81%	4.90%	4.96%																																															
Total				4.65%																																															
8	<p>(Household International, Inc. 2Q99 Report on Form 10-Q, filing date August 16, 1999)</p> <p>"Household International today reported that third quarter net income rose 26 percent to a record \$399.9 million, compared with \$318.0 million a year ago. Earnings per share increased 32 percent to a record \$.83, from \$.63 a year ago."</p>		10/19/1999	\$	\$																																														
9	<p>(Household International, Inc. News Release, October 19, 1999)</p> <p>"William F. Aalinger, Household's chairman and chief executive officer, said, 'Our quarter reflects excellent performance in all of our businesses, with the key drivers being accelerating internal receivable and revenue growth.'"</p> <p>(Household International, Inc. News Release, October 19, 1999)</p>		10/19/1999	\$	\$																																														

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
10	"Credit Quality and Loss Reserves Credit quality remained stable in the quarter and improved from a year ago. The annualized managed net chargeoff ratio for the third quarter was 4.09 percent, compared with 4.10 percent in the second quarter and 4.33 percent in the year-ago quarter. The managed delinquency ratio (60+ days) was 4.89 percent at September 30, compared with 4.72 percent at June 30 and 4.96 percent a year ago."		10/19/1999	\$	\$	
11	(Household International, Inc. News Release, October 19, 1999) Household reported net income of \$399.9 million for the quarter ended September 30, 1999 and EPS of \$0.84.		11/12/1999	\$	\$	
12	(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999) "Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 5.24 percent at September 30, 1999, compared with 4.96 percent at June 30, 1999 and 5.23 percent at September 30, 1998. The annualized total consumer owned chargeoff ratio was 3.63 percent in the third quarter of 1999, compared with 3.54 percent in the prior quarter and 3.79 percent in the year-ago quarter."		11/12/1999	\$	\$	
13	(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999) "Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.89 percent at September 30, 1999, compared with 4.72 percent at June 30, 1999 and 4.96 percent at September 30, 1998. The annualized total consumer managed chargeoff ratio was 4.09 percent in the third quarter of 1999, compared with 4.10 percent in the prior quarter and 4.33 percent in the year-ago quarter."		11/12/1999	\$	\$	

No. 1	COLUMN 1 Challenged Statement	COLUMN 2 Disclosure	COLUMN 3 Date	COLUMN 4 Price per share of Household stock on the date of statement or disclosure	COLUMN 5 New inflation created by the false or misleading statement or omission	COLUMN 6 Reduction in inflation due to disclosure																																																
14	<p>Delinquency</p> <p>Two-Months-and-Over Contractual Managed Delinquency (as a percent of managed consumer receivables)</p> <table border="1" data-bbox="885 693 1112 1060"> <thead> <tr> <th></th> <th>9/30/99</th> <th>6/30/99</th> <th>3/31/99</th> <th>12/31/98</th> <th>9/30/98</th> </tr> </thead> <tbody> <tr> <td>First mortgage</td> <td>12.56%</td> <td>12.72%</td> <td>10.91%</td> <td>14.80%</td> <td>11.80%</td> </tr> <tr> <td>Home equity</td> <td>3.46</td> <td>3.29</td> <td>3.54</td> <td>3.67</td> <td>3.73</td> </tr> <tr> <td>Auto finance</td> <td>2.26</td> <td>1.87</td> <td>1.74</td> <td>2.29</td> <td>2.05</td> </tr> <tr> <td>MasterCard/Visa</td> <td>3.10</td> <td>3.11</td> <td>3.61</td> <td>3.75</td> <td>3.73</td> </tr> <tr> <td>Private label</td> <td>6.66</td> <td>6.62</td> <td>6.37</td> <td>6.20</td> <td>6.55</td> </tr> <tr> <td>Other unsecured</td> <td>8.57</td> <td>8.17</td> <td>7.84</td> <td>7.94</td> <td>8.03</td> </tr> <tr> <td>Total</td> <td>4.89%</td> <td>4.72%</td> <td>4.81%</td> <td>4.90%</td> <td>4.96%</td> </tr> </tbody> </table>		9/30/99	6/30/99	3/31/99	12/31/98	9/30/98	First mortgage	12.56%	12.72%	10.91%	14.80%	11.80%	Home equity	3.46	3.29	3.54	3.67	3.73	Auto finance	2.26	1.87	1.74	2.29	2.05	MasterCard/Visa	3.10	3.11	3.61	3.75	3.73	Private label	6.66	6.62	6.37	6.20	6.55	Other unsecured	8.57	8.17	7.84	7.94	8.03	Total	4.89%	4.72%	4.81%	4.90%	4.96%		11/12/1999	\$	\$	
	9/30/99	6/30/99	3/31/99	12/31/98	9/30/98																																																	
First mortgage	12.56%	12.72%	10.91%	14.80%	11.80%																																																	
Home equity	3.46	3.29	3.54	3.67	3.73																																																	
Auto finance	2.26	1.87	1.74	2.29	2.05																																																	
MasterCard/Visa	3.10	3.11	3.61	3.75	3.73																																																	
Private label	6.66	6.62	6.37	6.20	6.55																																																	
Other unsecured	8.57	8.17	7.84	7.94	8.03																																																	
Total	4.89%	4.72%	4.81%	4.90%	4.96%																																																	
15	<p>(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999)</p> <p>"Credit quality remained relatively stable in the quarter and improved from a year ago. The modest increase in managed delinquency as a percent of managed consumer receivables from the prior quarter was due to the seasoning of our Beneficial home equity and other unsecured products."</p>		11/12/1999	\$	\$																																																	
16	<p>(Household International, Inc. 3Q99 Report on Form 10-Q, filing date November 12, 1999)</p> <p>"Household International today reported that fourth quarter earnings per share increased 30 percent to a record \$.92, from \$.71 a year ago. Fourth quarter net income rose 25 percent to a record \$438.8 million, compared with \$349.9 million a year ago. For the full year, Household reported record earnings per share of \$3.07, which was 33 percent over 1998 operating earnings per share. Net income totaled \$1.5 billion, or 29 percent above the prior year's operating net income."</p> <p>(Household International, Inc. News Release, January 19, 2000)</p>		1/19/2000	\$	\$																																																	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
17	<p>“William F. Aldinger, Household’s chairman and chief executive officer, said, ‘We are very pleased to report another record quarter, the culmination of an absolutely outstanding year for Household. Growth and profitability in the quarter were excellent and exceeded our expectations. Revenues were particularly strong.’”</p> <p>(Household International, Inc. News Release, January 19, 2000)</p>		1/19/2000	\$	\$	
18	<p>“Commenting on the full year results, Aldinger continued, ‘Our record earnings reflect an outstanding year in our consumer finance business, a dramatic turnaround in our MasterCard/Visa business, and strong results in all of our other businesses. We are particularly pleased with excellent receivable growth in 1999, particularly in our branches, while fully realizing all of the acquisition synergies of the Beneficial merger.’”</p> <p>(Household International, Inc. News Release, January 19, 2000)</p>		1/19/2000	\$	\$	
19	<p>“Credit Quality and Loss Reserves</p> <p>Credit quality improved from both the third quarter and a year ago. The annualized managed net chargeoff ratio for the fourth quarter fell 13 basis points to 3.96 percent, the lowest level since 1997. The chargeoff ratio was 4.09 percent in the third quarter and 4.39 percent in the year-ago quarter. The managed delinquency ratio (60+days) improved 23 basis points to 4.66 percent at December 31, compared with 4.89 percent at September 30 and 4.90 percent a year ago.”</p> <p>(Household International, Inc. News Release, January 19, 2000)</p>		1/19/2000	\$	\$	
20	<p>Household reported net income of \$1,486.4 million and EPS of \$3.10.</p> <p>(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)</p>		3/28/2000	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																										
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																										
21	<p>"Delinquency and Chargeoffs: Our delinquency and net chargeoff ratios reflect, among other factors, the quality of receivables, the average age of our loans, the success of our collection efforts and general economic conditions. We track delinquency and chargeoff levels on an owned and a managed basis. We apply the same credit and portfolio management procedures to both our owned and off-balance sheet portfolios. Our focus is to use risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the asset quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers is helpful in managing net credit losses."</p> <p>(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)</p>		3/28/2000	\$	\$																																											
22	<table border="1"> <thead> <tr> <th>Managed Two-Month-and-Over Contractual Delinquency Ratios</th> <th>1999</th> <th>1998</th> <th>1997</th> <th>1996</th> <th>1995</th> </tr> </thead> <tbody> <tr> <td>Home equity</td> <td>3.27%</td> <td>3.67%</td> <td>3.69%</td> <td>3.04%</td> <td>2.76%</td> </tr> <tr> <td>Auto finance/I/</td> <td>2.43</td> <td>2.29</td> <td>2.09</td> <td>--</td> <td>--</td> </tr> <tr> <td>MasterCard/Visa</td> <td>2.78</td> <td>3.75</td> <td>3.10</td> <td>2.73</td> <td>2.19</td> </tr> <tr> <td>Private label</td> <td>5.97</td> <td>6.26</td> <td>5.81</td> <td>4.60</td> <td>3.93</td> </tr> <tr> <td>Other unsecured</td> <td>8.81</td> <td>7.94</td> <td>7.81</td> <td>6.21</td> <td>5.68</td> </tr> <tr> <td>Total consumer</td> <td>4.66%</td> <td>4.90%</td> <td>4.64%</td> <td>3.92%</td> <td>3.36%</td> </tr> </tbody> </table> <p>(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)</p>	Managed Two-Month-and-Over Contractual Delinquency Ratios	1999	1998	1997	1996	1995	Home equity	3.27%	3.67%	3.69%	3.04%	2.76%	Auto finance/I/	2.43	2.29	2.09	--	--	MasterCard/Visa	2.78	3.75	3.10	2.73	2.19	Private label	5.97	6.26	5.81	4.60	3.93	Other unsecured	8.81	7.94	7.81	6.21	5.68	Total consumer	4.66%	4.90%	4.64%	3.92%	3.36%			3/28/2000	\$	\$
Managed Two-Month-and-Over Contractual Delinquency Ratios	1999	1998	1997	1996	1995																																											
Home equity	3.27%	3.67%	3.69%	3.04%	2.76%																																											
Auto finance/I/	2.43	2.29	2.09	--	--																																											
MasterCard/Visa	2.78	3.75	3.10	2.73	2.19																																											
Private label	5.97	6.26	5.81	4.60	3.93																																											
Other unsecured	8.81	7.94	7.81	6.21	5.68																																											
Total consumer	4.66%	4.90%	4.64%	3.92%	3.36%																																											

No. 1	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																							
	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																							
23	<table border="1"> <thead> <tr> <th>Ratio of Net Chargeoffs to Average Managed Receivables for the Year</th> <th>1999</th> <th>1998</th> <th>1997</th> <th>1996</th> <th>1995</th> </tr> </thead> <tbody> <tr> <td>Home equity</td> <td>5.89%</td> <td>6.3%</td> <td>6.4%</td> <td>.60%</td> <td>.64%</td> </tr> <tr> <td>Auto Finance/II</td> <td>4.96</td> <td>5.39</td> <td>4.60</td> <td>—</td> <td>—</td> </tr> <tr> <td>MasterCard/Visa</td> <td>6.66</td> <td>5.95</td> <td>5.55</td> <td>4.54</td> <td>4.12</td> </tr> <tr> <td>Private label</td> <td>5.65</td> <td>5.65</td> <td>4.62</td> <td>3.42</td> <td>3.75</td> </tr> <tr> <td>Other unsecured</td> <td>6.52</td> <td>6.97</td> <td>5.48</td> <td>4.29</td> <td>3.60</td> </tr> <tr> <td>Total consumer loan products</td> <td>4.13</td> <td>4.29</td> <td>3.84</td> <td>2.96</td> <td>2.51</td> </tr> <tr> <td>Commercial</td> <td>.93</td> <td>.52</td> <td>1.66</td> <td>.92</td> <td>2.10</td> </tr> <tr> <td>Total</td> <td>4.09%</td> <td>4.24%</td> <td>3.80%</td> <td>2.92%</td> <td>2.49%</td> </tr> </tbody> </table> <p>(Household International, Inc. FY99 Report on Form 10-K, filing date March 28, 2000)</p>	Ratio of Net Chargeoffs to Average Managed Receivables for the Year	1999	1998	1997	1996	1995	Home equity	5.89%	6.3%	6.4%	.60%	.64%	Auto Finance/II	4.96	5.39	4.60	—	—	MasterCard/Visa	6.66	5.95	5.55	4.54	4.12	Private label	5.65	5.65	4.62	3.42	3.75	Other unsecured	6.52	6.97	5.48	4.29	3.60	Total consumer loan products	4.13	4.29	3.84	2.96	2.51	Commercial	.93	.52	1.66	.92	2.10	Total	4.09%	4.24%	3.80%	2.92%	2.49%			3/28/2000	\$	\$	
Ratio of Net Chargeoffs to Average Managed Receivables for the Year	1999	1998	1997	1996	1995																																																								
Home equity	5.89%	6.3%	6.4%	.60%	.64%																																																								
Auto Finance/II	4.96	5.39	4.60	—	—																																																								
MasterCard/Visa	6.66	5.95	5.55	4.54	4.12																																																								
Private label	5.65	5.65	4.62	3.42	3.75																																																								
Other unsecured	6.52	6.97	5.48	4.29	3.60																																																								
Total consumer loan products	4.13	4.29	3.84	2.96	2.51																																																								
Commercial	.93	.52	1.66	.92	2.10																																																								
Total	4.09%	4.24%	3.80%	2.92%	2.49%																																																								
24	<p>"Household International today reported that earnings per share rose 20 percent to a first quarter record of \$.78, from \$.65 a year ago. Net income increased to \$372.9 million, up 16 percent from \$320.8 million in the first quarter of 1999."</p> <p>(Household International, Inc. News Release, April 19, 2000)</p>			4/19/2000	\$	\$																																																							
25	<p>"William F. Aldinger, Household's chairman and chief executive officer, said, 'This was the strongest first quarter in our company's history, with all of our businesses performing well. Revenue and receivable growth were strong, and credit quality continued to improve.'"</p> <p>(Household International, Inc. News Release, April 19, 2000)</p>			4/19/2000	\$	\$																																																							

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
26	"Credit Quality and Loss Reserves At March 31, the managed delinquency ratio (60+days) declined to 4.43 percent, from 4.66 percent at December 31 and 4.81 percent a year ago. Dollars of delinquency were flat with year-end 1999. The annualized managed net chargeoff ratio for the first quarter was 4.00 percent compared to 3.96 percent in the prior quarter and improved 37 basis points from the year-ago quarter."		4/19/2000	\$	\$	
27	(Household International, Inc. News Release, April 19, 2000) Household reported net income of \$372.9 million for the quarter ended March 30, 2000 and EPS of \$0.79 per share.		5/10/2000	\$	\$	
28	(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 10, 2000) "Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.58 percent at March 31, 2000, compared with 4.81 percent at December 31, 1999 and 5.04 percent at March 31, 1999. The annualized consumer owned chargeoff ratio was 3.53 percent in the first quarter of 2000, compared with 3.62 percent in the prior quarter and 3.92 percent in the year-ago quarter."		5/10/2000	\$	\$	
29	(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 10, 2000) "Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.43 percent at March 31, 2000, compared with 4.66 percent at December 31, 1999 and 4.81 percent at March 31, 1999. The annualized total consumer managed chargeoff ratio was 4.00 percent in the first quarter of 2000, compared with 3.96 percent in the prior quarter and 4.37 percent in the year-ago quarter."		5/10/2000	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																						
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																						
30	<p>CREDIT QUALITY</p> <p>We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."</p> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 10, 2000)</p>		5/10/2000	\$	\$																																																							
31	<table border="1"> <thead> <tr> <th>Delinquency (Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</th> <th>3/31/00</th> <th>12/31/99</th> <th>9/30/99</th> <th>6/30/99</th> <th>3/31/99</th> </tr> </thead> <tbody> <tr> <td>Managed:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Real estate secured</td> <td>2.99%</td> <td>3.27%</td> <td>3.46%</td> <td>3.29%</td> <td>3.54%</td> </tr> <tr> <td>Auto finance</td> <td>1.32</td> <td>2.43</td> <td>2.26</td> <td>1.87</td> <td>1.74</td> </tr> <tr> <td>MasterCard/Visa</td> <td>3.06</td> <td>2.78</td> <td>3.10</td> <td>3.11</td> <td>3.61</td> </tr> <tr> <td>Private label</td> <td>5.94</td> <td>5.97</td> <td>6.66</td> <td>6.62</td> <td>6.37</td> </tr> <tr> <td>Other unsecured</td> <td>8.36</td> <td>8.81</td> <td>8.57</td> <td>8.17</td> <td>7.84</td> </tr> <tr> <td>Total</td> <td>4.43%</td> <td>4.66%</td> <td>4.89%</td> <td>4.72%</td> <td>4.81%</td> </tr> <tr> <td>Owned</td> <td>4.58%</td> <td>4.81%</td> <td>5.24%</td> <td>4.96%</td> <td>5.04%</td> </tr> </tbody> </table> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 10, 2000)</p>	Delinquency (Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99	Managed:						Real estate secured	2.99%	3.27%	3.46%	3.29%	3.54%	Auto finance	1.32	2.43	2.26	1.87	1.74	MasterCard/Visa	3.06	2.78	3.10	3.11	3.61	Private label	5.94	5.97	6.66	6.62	6.37	Other unsecured	8.36	8.81	8.57	8.17	7.84	Total	4.43%	4.66%	4.89%	4.72%	4.81%	Owned	4.58%	4.81%	5.24%	4.96%	5.04%					
Delinquency (Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99																																																							
Managed:																																																												
Real estate secured	2.99%	3.27%	3.46%	3.29%	3.54%																																																							
Auto finance	1.32	2.43	2.26	1.87	1.74																																																							
MasterCard/Visa	3.06	2.78	3.10	3.11	3.61																																																							
Private label	5.94	5.97	6.66	6.62	6.37																																																							
Other unsecured	8.36	8.81	8.57	8.17	7.84																																																							
Total	4.43%	4.66%	4.89%	4.72%	4.81%																																																							
Owned	4.58%	4.81%	5.24%	4.96%	5.04%																																																							
32	<p>"Household International today reported that earnings per share rose to a second quarter record \$.80, up 19 percent from \$.67 a year ago. Net income increased 17 percent to \$383.9 million, from \$326.9 million in the second quarter of 1999."</p> <p>(Household International, Inc. News Release, July 19, 2000)</p>		7/19/2000	\$	\$																																																							

No. 1	COLUMN 1 Challenged Statement	COLUMN 2 Disclosure	COLUMN 3 Date	COLUMN 4 Price per share of Household stock on the date of statement or disclosure	COLUMN 5 New inflation created by the false or misleading statement or omission	COLUMN 6 Reduction in inflation due to disclosure
33	"Our superb second quarter results were highlighted by outstanding receivables and revenue growth and a significant improvement in credit quality," said William F. Aldinger, Household's chairman and chief executive officer."		7/19/2000	\$	\$	
34	"The company's managed receivables portfolio grew 22 percent from a year ago, reaching almost \$80 billion. The company added \$4.5 billion of receivables in the quarter, an increase of 6 percent. Revenues rose 20 percent compared to the year-ago quarter."		7/19/2000	\$	\$	
35	"Aldinger continued, 'Our record performance reflects strong sales and marketing results in all of our businesses coupled with our continued focus on risk management and operational efficiency.'"		7/19/2000	\$	\$	
36	"Credit Quality and Loss Reserves Credit quality improved dramatically during the quarter, as dollars of chargeoff and delinquency declined from first quarter levels. At June 30, the managed delinquency ratio (90+days) improved for the third consecutive quarter, to 4.16 percent. This represented a 27 basis-point improvement from the first quarter and a 56 basis-point improvement from a year ago. The annualized managed net chargeoff ratio for the second quarter fell 26 basis points sequentially, to 3.74 percent. The chargeoff ratio was 4.10 percent a year ago."		7/19/2000	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
37	Household reported net income of \$383.9 million for the quarter ended June 30, 2000 and EPS of \$0.80. (Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)		8/11/2000	\$	\$	
38	"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.25 percent, compared with 4.58 percent at March 31, 2000 and 4.96 percent at June 30, 1999. The annualized total consumer owned chargeoff ratio in the second quarter of 2000 was 3.27 percent, compared with 3.53 percent in the prior quarter and 3.54 percent in the year-ago quarter." (Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)		8/11/2000	\$	\$	
39	"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.16 percent, compared with 4.43 percent at March 31, 2000 and 4.72 percent at June 30, 1999. The annualized total consumer managed chargeoff ratio in the second quarter of 2000 was 3.74 percent, compared with 4.00 percent in the prior quarter and 4.10 percent in the year-ago quarter." (Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)		8/11/2000	\$	\$	
40	"CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio." (Household International, Inc. 2000 Report on Form 10-Q, filing date August 11, 2000)		8/11/2000	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in Inflation due to disclosure																																																
41	<p>Delinquency ... Two Months and Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <tr> <td>Managed:</td> <td>6/30/00</td> <td>3/31/00</td> <td>12/31/99</td> <td>9/30/99</td> <td>6/30/99</td> </tr> <tr> <td>Real estate secured</td> <td>2.72%</td> <td>2.99%</td> <td>3.27%</td> <td>3.46%</td> <td>3.29%</td> </tr> <tr> <td>Auto finance</td> <td>1.99</td> <td>1.32</td> <td>2.43</td> <td>2.26</td> <td>1.87</td> </tr> <tr> <td>MasterCard/Visa</td> <td>3.14</td> <td>3.06</td> <td>2.78</td> <td>3.10</td> <td>3.11</td> </tr> <tr> <td>Private label</td> <td>5.77</td> <td>5.94</td> <td>5.97</td> <td>6.66</td> <td>6.62</td> </tr> <tr> <td>Other unsecured</td> <td>7.92</td> <td>8.56</td> <td>8.81</td> <td>8.57</td> <td>8.17</td> </tr> <tr> <td>Total</td> <td>4.16%</td> <td>4.43%</td> <td>4.66%</td> <td>4.89%</td> <td>4.72%</td> </tr> <tr> <td>Owned</td> <td>4.25%</td> <td>4.58%</td> <td>4.81%</td> <td>5.24%</td> <td>4.56%</td> </tr> </table>	Managed:	6/30/00	3/31/00	12/31/99	9/30/99	6/30/99	Real estate secured	2.72%	2.99%	3.27%	3.46%	3.29%	Auto finance	1.99	1.32	2.43	2.26	1.87	MasterCard/Visa	3.14	3.06	2.78	3.10	3.11	Private label	5.77	5.94	5.97	6.66	6.62	Other unsecured	7.92	8.56	8.81	8.57	8.17	Total	4.16%	4.43%	4.66%	4.89%	4.72%	Owned	4.25%	4.58%	4.81%	5.24%	4.56%		8/11/2000	\$	\$	
Managed:	6/30/00	3/31/00	12/31/99	9/30/99	6/30/99																																																	
Real estate secured	2.72%	2.99%	3.27%	3.46%	3.29%																																																	
Auto finance	1.99	1.32	2.43	2.26	1.87																																																	
MasterCard/Visa	3.14	3.06	2.78	3.10	3.11																																																	
Private label	5.77	5.94	5.97	6.66	6.62																																																	
Other unsecured	7.92	8.56	8.81	8.57	8.17																																																	
Total	4.16%	4.43%	4.66%	4.89%	4.72%																																																	
Owned	4.25%	4.58%	4.81%	5.24%	4.56%																																																	
42	<p>(Household International, Inc. 2Q00 Report on Form 10-Q, filing date August 11, 2000)</p> <p>"Household International today reported ... [third quarter earnings per share rose 13 percent to \$.94, compared to \$.83 a year ago. Net income also rose to a third quarter record of \$451.2 million, a 13 percent increase from \$399.9 million a year ago."</p>		10/18/2000	\$	\$																																																	
43	<p>(Household International, Inc. News Release, October 18, 2000)</p> <p>"Our strong third quarter results reflect a continuation of outstanding receivables and revenue growth. At the same time, we achieved year-over-year improvements in credit quality," said William F. Aldinger, Household's chairman and chief executive officer."</p> <p>(Household International, Inc. News Release, October 18, 2000)</p>		10/18/2000	\$	\$																																																	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
44	"Credit Quality and Loss Reserves The annualized managed net chargeoff ratio for the third quarter improved for a second consecutive quarter, to 3.47 percent from 3.74 percent in the second quarter. Dollars of net chargeoff also fell for the second consecutive quarter. The third quarter chargeoff ratio dropped 62 basis points from the level of a year ago, with improvement across all products. At September 30, the managed delinquency ratio (60+days) was 4.21 percent, compared with 4.16 percent in the second quarter and significantly below the year-ago level of 4.89 percent."		10/18/2000	\$	\$	
45	(Household International, Inc. News Release, October 18, 2000) "HFC spokesman Craig Sreen said that the loan was 'not a predatory loan by any definition. . . . Sreen says HFC never pressures people to buy credit life insurance.'"		11/1/2000	\$	\$	
46	(St. Louis Dispatch, November 1, 2000) "Household International supports Citigroup's announcement today of its efforts to boost consumer protections at Associates First Capital. Their proposed changes are generally consistent with the stringent policies and procedures that have long been in place at Household International. Household's long-standing view has been that unethical lending practices of any type are abhorrent to our company, employees, and most importantly our customers. So-called 'predatory lending' practices undermine the integrity of the industry in which we compete."		11/7/2000	\$	\$	
47	(Household International, Inc. News Release, November 7, 2000) Household reported net income of \$451.2 million for the quarter ended September 30, 2000 and EPS of \$0.95. (Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)		11/14/2000	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New Inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
48	"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.29 percent at September 30, 2000, compared with 4.25 percent at June 30, 2000 and 5.24 percent at September 30, 1999. The annualized consumer owned chargeoff ratio in the third quarter of 2000 was 3.01 percent, compared with 3.27 percent in the prior quarter and 3.63 percent in the year-ago quarter."		11/14/2000	\$	\$	
49	(Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000) "Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.21 percent at September 30, 2000, compared with 4.16 percent at June 30, 2000 and 4.89 percent at September 30, 1999. The annualized consumer managed chargeoff ratio in the third quarter of 2000 was 3.47 percent, compared with 3.74 percent in the prior quarter and 4.09 percent in the year-ago quarter."		11/14/2000	\$	\$	
50	(Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000) "CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio." (Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)		11/14/2000	\$	\$	

No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																						
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																						
51	<p>Delinquency (Two-Months and Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1" data-bbox="852 1123 1055 1365"> <thead> <tr> <th></th> <th>September 30, 2000</th> <th>June 30, 2000</th> <th>March 31, 2000</th> <th>December 31, 1999</th> <th>September 30, 1999</th> </tr> </thead> <tbody> <tr> <td>Managed:</td> <td>2.77%</td> <td>2.72%</td> <td>2.99%</td> <td>3.27%</td> <td>3.46%</td> </tr> <tr> <td>Real estate secured</td> <td>2.19</td> <td>1.99</td> <td>1.52</td> <td>2.43</td> <td>2.26</td> </tr> <tr> <td>Auto finance</td> <td>3.48</td> <td>3.14</td> <td>3.06</td> <td>2.78</td> <td>3.10</td> </tr> <tr> <td>MasterCard/Visa</td> <td>5.67</td> <td>5.77</td> <td>5.94</td> <td>5.97</td> <td>6.66</td> </tr> <tr> <td>Private label</td> <td>7.72</td> <td>7.92</td> <td>8.56</td> <td>8.81</td> <td>8.57</td> </tr> <tr> <td>Other unsecured</td> <td>4.21%</td> <td>4.16%</td> <td>4.43%</td> <td>4.66%</td> <td>4.89%</td> </tr> <tr> <td>Total Managed</td> <td>4.29%</td> <td>4.25%</td> <td>4.58%</td> <td>4.81%</td> <td>5.24%</td> </tr> <tr> <td>Owned</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(Household International, Inc. 3Q00 Report on Form 10-Q, filing date November 14, 2000)</p>		September 30, 2000	June 30, 2000	March 31, 2000	December 31, 1999	September 30, 1999	Managed:	2.77%	2.72%	2.99%	3.27%	3.46%	Real estate secured	2.19	1.99	1.52	2.43	2.26	Auto finance	3.48	3.14	3.06	2.78	3.10	MasterCard/Visa	5.67	5.77	5.94	5.97	6.66	Private label	7.72	7.92	8.56	8.81	8.57	Other unsecured	4.21%	4.16%	4.43%	4.66%	4.89%	Total Managed	4.29%	4.25%	4.58%	4.81%	5.24%	Owned							11/14/2000	\$	\$	
	September 30, 2000	June 30, 2000	March 31, 2000	December 31, 1999	September 30, 1999																																																							
Managed:	2.77%	2.72%	2.99%	3.27%	3.46%																																																							
Real estate secured	2.19	1.99	1.52	2.43	2.26																																																							
Auto finance	3.48	3.14	3.06	2.78	3.10																																																							
MasterCard/Visa	5.67	5.77	5.94	5.97	6.66																																																							
Private label	7.72	7.92	8.56	8.81	8.57																																																							
Other unsecured	4.21%	4.16%	4.43%	4.66%	4.89%																																																							
Total Managed	4.29%	4.25%	4.58%	4.81%	5.24%																																																							
Owned																																																												
52	<p>"Household International today reported full year earnings per share of \$3.55, a 16 percent increase over \$3.07 a year ago and the highest earnings per share in the company's 122-year history. Net income totaled \$1.7 billion, or 14 percent above the prior year. Net managed revenues for the full year increased 18 percent to \$8.9 billion, compared to \$7.5 billion in 1999. Household's fourth quarter earnings per share rose 12 percent to a record \$1.03, from \$.92 a year ago. Fourth quarter net income rose 12 percent to an all-time high of \$492.7 million, compared with \$438.8 million a year ago."</p> <p>(Household International, Inc. News Release, January 17, 2001)</p>		1/17/2001	\$	\$																																																							
53	<p>"These strong fourth quarter results cap off a terrific year in which we delivered on all of our earnings and growth goals," said William F. Aldinger, Household's chairman and chief executive officer. "Growth and profitability in the quarter were excellent, while credit quality and our balance sheet remained strong."</p> <p>(Household International, Inc. News Release, January 17, 2001)</p>		1/17/2001	\$	\$																																																							

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
54	"Commenting on the full year results, Aldinger continued, 'Our record earnings per share reflect strong top-line growth and improved credit quality.'" (Household International, Inc. News Release, January 17, 2001)		1/17/2001	\$	\$	
55	"Credit Quality and Loss Reserves The fourth quarter annualized managed net chargeoff ratio improved for the third consecutive quarter to 3.41 percent from 3.47 percent in the third quarter. The fourth quarter chargeoff ratio was 55 basis points lower than a year ago and reached its lowest level since the fourth quarter of 1996. The managed delinquency ratio (60+days) at December 31, 2000 was 4.20 percent, stable with 4.21 percent in the third quarter and 46 basis points better than a year ago." (Household International, Inc. News Release, January 17, 2001)		1/17/2001	\$	\$	
56	"Household International, Inc. News Release, January 17, 2001) "Household's position on predatory lending is perfectly clear," said Gary Gilmer, president and CEO of HFC and Beneficial. "Unethical lending practices of any type are abhorrent to our company, our employees, and most importantly, our customers." (Household International, Inc. News Release, March 12, 2001)		3/12/2001	\$	\$	
57	"The company reaffirmed that it fully complies with all applicable federal and state laws and regulations." (Household International, Inc. News Release, March 12, 2001)		3/12/2001	\$	\$	
58	"Gary Gilmer, president and chief executive of Household's subsidiaries HFC and Beneficial, said the company's 'position on predatory lending is perfectly clear. Unethical lending practices of any type are abhorrent to our company, our employees and most importantly our customers.'" (Origination News, March 23, 2001)		3/23/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
59	Household reported net income of 1,700.7 million and EPS of \$3.59. (Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001)		3/28/2001	\$	\$	
60	<p>"Delinquency and Chargeoffs</p> <p>Our delinquency and net chargeoff ratios reflect, among other factors, changes in the mix of loans in our portfolio, the quality of our receivables, the average age of our loans, the success of our collection efforts and general economic conditions. . . . We track delinquency and chargeoff levels on both an owned and a managed basis. We apply the same credit and portfolio management procedures to both our owned and off-balance sheet portfolios. Our focus is to use risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the credit quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers is helpful in managing net credit losses."</p> <p>(Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001)</p>		3/28/2001	\$	\$	

No. 1	COLUMN 1				COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																																											
	Challenged Statement																																																																																			
61	CONSUMER-TWO-MONTH-AND-OVER CONTRACTUAL DELINQUENCY RATIOS				Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																																											
	<table border="1"> <thead> <tr> <th></th> <th colspan="4">2000 Quarter End</th> <th colspan="4">1999 Quarter End</th> </tr> <tr> <th></th> <th>4</th> <th>3</th> <th>2</th> <th>1</th> <th>4</th> <th>3</th> <th>2</th> <th>1</th> </tr> </thead> <tbody> <tr> <td>Managed-Real estate secured</td> <td>2.63%</td> <td>2.77%</td> <td>2.72%</td> <td>2.99%</td> <td>3.27%</td> <td>3.46%</td> <td>3.29%</td> <td>3.54%</td> </tr> <tr> <td>Auto finance</td> <td>2.55</td> <td>2.19</td> <td>1.99</td> <td>1.52</td> <td>2.43</td> <td>2.26</td> <td>1.87</td> <td>1.74</td> </tr> <tr> <td>MasterCard /Visa</td> <td>3.49</td> <td>3.48</td> <td>3.14</td> <td>3.06</td> <td>2.78</td> <td>3.10</td> <td>3.11</td> <td>3.61</td> </tr> <tr> <td>Private label</td> <td>5.48</td> <td>5.67</td> <td>5.77</td> <td>5.94</td> <td>5.97</td> <td>6.66</td> <td>6.62</td> <td>6.37</td> </tr> <tr> <td>Other unsecured</td> <td>7.97</td> <td>7.72</td> <td>7.92</td> <td>8.56</td> <td>8.81</td> <td>8.57</td> <td>8.17</td> <td>7.84</td> </tr> <tr> <td>Total Managed</td> <td>4.20%</td> <td>4.21%</td> <td>4.16%</td> <td>4.43%</td> <td>4.66%</td> <td>4.89%</td> <td>4.72%</td> <td>4.81%</td> </tr> <tr> <td>Total Owned</td> <td>4.26%</td> <td>4.29%</td> <td>4.25%</td> <td>4.58%</td> <td>4.81%</td> <td>5.24%</td> <td>4.96%</td> <td>5.04%</td> </tr> </tbody> </table>										2000 Quarter End				1999 Quarter End					4	3	2	1	4	3	2	1	Managed-Real estate secured	2.63%	2.77%	2.72%	2.99%	3.27%	3.46%	3.29%	3.54%	Auto finance	2.55	2.19	1.99	1.52	2.43	2.26	1.87	1.74	MasterCard /Visa	3.49	3.48	3.14	3.06	2.78	3.10	3.11	3.61	Private label	5.48	5.67	5.77	5.94	5.97	6.66	6.62	6.37	Other unsecured	7.97	7.72	7.92	8.56	8.81	8.57	8.17	7.84	Total Managed	4.20%	4.21%	4.16%	4.43%	4.66%	4.89%	4.72%	4.81%	Total Owned	4.26%	4.29%
	2000 Quarter End				1999 Quarter End																																																																															
	4	3	2	1	4	3	2	1																																																																												
Managed-Real estate secured	2.63%	2.77%	2.72%	2.99%	3.27%	3.46%	3.29%	3.54%																																																																												
Auto finance	2.55	2.19	1.99	1.52	2.43	2.26	1.87	1.74																																																																												
MasterCard /Visa	3.49	3.48	3.14	3.06	2.78	3.10	3.11	3.61																																																																												
Private label	5.48	5.67	5.77	5.94	5.97	6.66	6.62	6.37																																																																												
Other unsecured	7.97	7.72	7.92	8.56	8.81	8.57	8.17	7.84																																																																												
Total Managed	4.20%	4.21%	4.16%	4.43%	4.66%	4.89%	4.72%	4.81%																																																																												
Total Owned	4.26%	4.29%	4.25%	4.58%	4.81%	5.24%	4.96%	5.04%																																																																												
62	<p>(Household International, Inc. FY00 Report on Form 10-K, filing date March 28, 2001)</p> <p>"Household International today reported that earnings per share rose 17 percent to a first quarter record of \$.91, from \$.78 a year ago. Net income increased to \$431.8 million, up 16 percent from \$372.9 million in the first quarter of 2000. This quarter marked the 11th consecutive quarter of record results."</p> <p>(Household International, Inc. News Release, April 18, 2001)</p>					4/18/2001	\$	\$																																																																												

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
63	<p>"William F. Aldinger, Household's chairman and chief executive officer, said, 'Our outstanding results reflect the sustainability and earnings power of our franchise. Receivables and revenues grew nicely in the quarter. At the same time, credit quality remained stable and we strengthened our balance sheet.'"</p> <p>(Household International, Inc. News Release, April 18, 2001)</p>		4/18/2001	\$	\$	
64	<p>"Credit Quality and Loss Reserves</p> <p>At March 31, the managed delinquency ratio (60+days) was 4.25 percent, compared to 4.43 percent a year ago and 4.20 percent at December 31, 2000. The annualized managed net chargeoff ratio for the first quarter was 3.56 percent, a 44 basis points improvement from the year-ago quarter and up modestly from 3.41 percent in the prior quarter."</p> <p>(Household International, Inc. News Release, April 18, 2001)</p>		4/18/2001	\$	\$	
65	<p>(Household International, Inc. News Release, April 18, 2001)</p> <p>Household reported net income of \$431.8 million for the quarter ended March 31, 2001 and EPS of \$0.92.</p> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 9, 2001)</p>		5/9/2001	\$	\$	
66	<p>"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.36 percent at March 31, 2001, compared with 4.26 percent at December 31, 2000 and 4.58 percent at March 31, 2000. The annualized consumer owned chargeoff ratio in the first quarter of 2001 was 3.12 percent, compared with 2.98 percent in the prior quarter and 3.53 percent in the year-ago quarter."</p> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 9, 2001)</p>		5/9/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
67	<p>"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.25 percent at March 31, 2001, compared with 4.20 percent at December 31, 2000 and 4.43 percent at March 31, 2000. The annualized consumer managed chargeoff ratio in the first quarter of 2001 was 3.56 percent, compared with 3.41 percent in the prior quarter and 4.00 percent in the year-ago quarter."</p> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 9, 2001)</p>		5/9/2001	\$	\$	
68	<p>"CREDIT QUALITY</p> <p>We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio."</p> <p>(Household International, Inc. 1Q00 Report on Form 10-Q, filing date May 9, 2001)</p>		5/9/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																						
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																						
69	<p>Delinquency - Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>March 31, 2001</th> <th>December 31, 2000</th> <th>September 30, 2000</th> <th>June 30, 2000</th> <th>March 31, 2000</th> </tr> </thead> <tbody> <tr> <td>Managed:</td> <td>2.61%</td> <td>2.63%</td> <td>2.77%</td> <td>2.72%</td> <td>2.99%</td> </tr> <tr> <td>Real estate secured</td> <td>1.79</td> <td>2.55</td> <td>2.19</td> <td>1.99</td> <td>1.52</td> </tr> <tr> <td>Auto finance</td> <td>3.68</td> <td>3.49</td> <td>3.48</td> <td>3.14</td> <td>3.06</td> </tr> <tr> <td>MasterCard/Visa</td> <td>5.50</td> <td>5.48</td> <td>5.67</td> <td>5.77</td> <td>5.94</td> </tr> <tr> <td>Private label</td> <td>8.37</td> <td>7.97</td> <td>7.72</td> <td>7.92</td> <td>8.56</td> </tr> <tr> <td>Other unsecured</td> <td>4.25%</td> <td>4.20%</td> <td>4.21%</td> <td>4.16%</td> <td>4.43%</td> </tr> <tr> <td>Total managed</td> <td>4.36%</td> <td>4.26%</td> <td>4.29%</td> <td>4.25%</td> <td>4.58%</td> </tr> <tr> <td>Owred</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(Household International, Inc. 1000 Report on Form 10-Q, filing date May 9, 2001)</p>		March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	March 31, 2000	Managed:	2.61%	2.63%	2.77%	2.72%	2.99%	Real estate secured	1.79	2.55	2.19	1.99	1.52	Auto finance	3.68	3.49	3.48	3.14	3.06	MasterCard/Visa	5.50	5.48	5.67	5.77	5.94	Private label	8.37	7.97	7.72	7.92	8.56	Other unsecured	4.25%	4.20%	4.21%	4.16%	4.43%	Total managed	4.36%	4.26%	4.29%	4.25%	4.58%	Owred							5/9/2001	\$	\$	
	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	March 31, 2000																																																							
Managed:	2.61%	2.63%	2.77%	2.72%	2.99%																																																							
Real estate secured	1.79	2.55	2.19	1.99	1.52																																																							
Auto finance	3.68	3.49	3.48	3.14	3.06																																																							
MasterCard/Visa	5.50	5.48	5.67	5.77	5.94																																																							
Private label	8.37	7.97	7.72	7.92	8.56																																																							
Other unsecured	4.25%	4.20%	4.21%	4.16%	4.43%																																																							
Total managed	4.36%	4.26%	4.29%	4.25%	4.58%																																																							
Owred																																																												
70	<p>(Household International, Inc. News Release, July 18, 2001)</p> <p>"Household International today reported record earnings per share of \$.93, up 16 percent from a year ago. Net income rose 14 percent, to \$439.0 million, from \$383.9 million for the second quarter of 2000."</p>		7/18/2001	\$	\$																																																							
71	<p>(Household International, Inc. News Release, July 18, 2001)</p> <p>"William F. Aiding, Household's chairman and chief executive officer, said, "We had a terrific quarter — our 12th consecutive quarter of record results. Given the softening economic environment, I am particularly pleased with our ability to consistently deliver strong, quality earnings.""</p> <p>(Household International, Inc. News Release, July 18, 2001)</p>		7/18/2001	\$	\$																																																							

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per Share of Household stock on the date of statement or disclosure	New Inflation created by the false or misleading statement or omission	Reduction in Inflation due to disclosure
72	<p>“Results for the quarter were excellent,” Aldinger added. “We enjoyed strong receivable and revenue growth, compared to a year ago, with all of our businesses performing well. In addition, delinquency was stable in the quarter. . . .”</p> <p>(Household International, Inc. News Release, July 18, 2001)</p>		7/18/2001	\$	\$	
73	<p>“Credit Quality and Loss Reserves</p> <p>At June 30th, the managed delinquency ratio (60+days) was 4.27 percent, stable with 4.25 percent in the first quarter. The managed delinquency ratio a year ago was 4.16 percent. The annualized managed net chargeoff ratio for the second quarter was 3.71 percent, essentially unchanged from the first quarter and up modestly from 3.56 percent in the first quarter.”</p> <p>(Household International, Inc. News Release, July 18, 2001)</p>		7/18/2001	\$	\$	
74	<p>“It’s not tied to hearings or activism or anything else in particular,” said Craig Stream, a spokesman for Household, which is based in Prospect Heights, Ill. “We’ve been working on these for quite some time. So, it really is a coincidence.”</p> <p>(The New York Times, July 24, 2001)</p>		7/24/2001	\$	\$	
75	<p>“Megan Hayden, a Household spokeswoman, said that terms of loans are disclosed to all customers, as required by state and federal laws. ‘Frankly, you don’t stay in business in this industry by taking advantage of your customers,’ she said. ‘So I take exception to any characterization that we engage in predatory lending practices.’”</p> <p>(Star Tribune (Minneapolis, MN), July 27, 2001)</p>		7/27/2001	\$	\$	
76	<p>Household reported net income of \$439 million for the quarter ended June 30, 2001 and EPS of \$0.94.</p> <p>(Household International, Inc. 2001 Report on Form 10-Q, filing date August 10, 2001)</p>		8/10/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
77	"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.48 percent at June 30, 2001, compared with 4.36 percent at March 31, 2001 and 4.25 percent at June 30, 2000. The annualized consumer owned chargeoff ratio in the second quarter of 2001 was 3.26 percent, compared with 3.12 percent in the prior quarter and 3.27 percent in the year-ago quarter."		8/10/2001	\$	\$	
78	(Household International, Inc. 2Q01 Report on Form 10-Q, filing date August 10, 2001) "Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.27 percent at June 30, 2001, compared with 4.25 percent at March 31, 2001 and 4.16 percent at June 30, 2000. The annualized consumer managed chargeoff ratio in the second quarter of 2001 was 3.71 percent, compared with 3.56 percent in the prior quarter and 3.74 percent in the year-ago quarter."		8/10/2001	\$	\$	
79	(Household International, Inc. 2Q01 Report on Form 10-Q, filing date August 10, 2001) "CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio." (Household International, Inc. 2Q01 Report on Form 10-Q, filing date August 10, 2001)		8/10/2001	\$	\$	

No. 1	COLUMN 1 Challenged Statement	COLUMN 2 Disclosure	COLUMN 3 Date	COLUMN 4 Price per share of Household stock on the date of statement or disclosure	COLUMN 5 New inflation created by the false or misleading statement or omission	COLUMN 6 Reduction in inflation due to disclosure																																																												
80	<p>Delinquency - Two Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1" data-bbox="763 462 1120 1050"> <thead> <tr> <th></th> <th>June 30, 2001</th> <th>March 31, 2001</th> <th>December 31, 2000</th> <th>September 30, 2000</th> <th>June 30, 2000</th> </tr> </thead> <tbody> <tr> <td>Managed</td> <td>2.63%</td> <td>2.61%</td> <td>2.63%</td> <td>2.77%</td> <td>2.72%</td> </tr> <tr> <td>Real estate secured</td> <td>2.09</td> <td>1.79</td> <td>2.55</td> <td>2.19</td> <td>1.99</td> </tr> <tr> <td>Auto Finance</td> <td>3.60</td> <td>3.68</td> <td>3.49</td> <td>3.48</td> <td>3.14</td> </tr> <tr> <td>MasterCard</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Visa</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Private label</td> <td>5.66</td> <td>5.50</td> <td>5.48</td> <td>5.67</td> <td>5.77</td> </tr> <tr> <td>Other unsecured</td> <td>8.43</td> <td>8.37</td> <td>7.97</td> <td>7.72</td> <td>7.92</td> </tr> <tr> <td>Total managed</td> <td>4.27%</td> <td>4.25%</td> <td>4.20%</td> <td>4.21%</td> <td>4.16%</td> </tr> <tr> <td>Owned</td> <td>4.48%</td> <td>4.36%</td> <td>4.26%</td> <td>4.29%</td> <td>4.25%</td> </tr> </tbody> </table> <p>(Household International, Inc. 2Q01 Report on Form 10-Q, filing date August 10, 2001)</p>		June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000	Managed	2.63%	2.61%	2.63%	2.77%	2.72%	Real estate secured	2.09	1.79	2.55	2.19	1.99	Auto Finance	3.60	3.68	3.49	3.48	3.14	MasterCard						Visa						Private label	5.66	5.50	5.48	5.67	5.77	Other unsecured	8.43	8.37	7.97	7.72	7.92	Total managed	4.27%	4.25%	4.20%	4.21%	4.16%	Owned	4.48%	4.36%	4.26%	4.29%	4.25%		8/10/2001	\$	\$	
	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	June 30, 2000																																																													
Managed	2.63%	2.61%	2.63%	2.77%	2.72%																																																													
Real estate secured	2.09	1.79	2.55	2.19	1.99																																																													
Auto Finance	3.60	3.68	3.49	3.48	3.14																																																													
MasterCard																																																																		
Visa																																																																		
Private label	5.66	5.50	5.48	5.67	5.77																																																													
Other unsecured	8.43	8.37	7.97	7.72	7.92																																																													
Total managed	4.27%	4.25%	4.20%	4.21%	4.16%																																																													
Owned	4.48%	4.36%	4.26%	4.29%	4.25%																																																													
81	<p>"Household International today reported... earnings per share of \$1.07 rose 14 percent from \$.94 the prior year. Net income increased 12 percent, to \$504 million, from \$451 million in the third quarter of 2000."</p> <p>(Household International, Inc. News Release, October 17, 2001)</p>		10/17/2001	\$	\$																																																													
82	<p>"Household's performance this year has been outstanding, even as the economy has continued to weaken," said William F. Aldinger, chairman and chief executive officer. "The third quarter was no exception. Receivable and revenue growth were strong, and credit performance was within our expectations."</p> <p>(Household International, Inc. News Release, October 17, 2001)</p>		10/17/2001	\$	\$																																																													

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
83	"Credit Quality and Loss Reserves At September 30 th , the managed delinquency ratio (60+ days) was 4.43 percent, compared to 4.27 percent in the second quarter and 4.21 percent a year ago. The sequential increase was across all products and was well within company expectations. The annualized managed net chargeoff ratio for the third quarter was 3.74 percent, up slightly from 3.71 percent in the second quarter. The managed net chargeoff ratio was 3.47 percent in the prior year quarter."		10/17/2001	\$	\$	
84	(Household International, Inc. News Release, October 17, 2001) "Household spokeswoman Megan Hayden denied the company engaged in predatory lending through its Beneficial and Household Finance subsidiaries, even as she pointed to steps the company took this year to end some of its most criticized practices. Hayden said the problem involved not her company, but 'rogue lenders.'"		10/31/2001	\$	\$	
85	(Associated Press, October 31, 2001) Household reported net income of \$503.8 million for the quarter ended June 30, 2001 and EPS of \$1.09. (Household International, Inc. 3Q01 Report on Form 10-Q, filing date November 14, 2001)		11/14/2001	\$	\$	
86	"Owned consumer two-months-and-over contractual delinquency as a percent of owned consumer receivables was 4.58 percent at September 30, 2001, compared with 4.48 percent at June 30, 2001 and 4.29 percent at September 30, 2000. The annualized consumer owned chargeoff ratio in the third quarter of 2001 was 3.43 percent, compared with 3.26 percent in the prior quarter and 3.01 percent in the year-ago quarter." (Household International, Inc. 3Q01 Report on Form 10-Q, filing date November 14, 2001)		11/14/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No.	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
87	"Managed consumer two-months-and-over contractual delinquency as a percent of managed consumer receivables was 4.43 percent at September 30, 2001, compared with 4.27 percent at June 30, 2001, and 4.21 percent at September 30, 2000. The annualized consumer managed chargeoff ratio in the third quarter of 2001 was 3.74 percent, compared with 3.71 percent in the prior quarter and 3.47 percent in the year-ago quarter."		11/14/2001	\$	\$	
88	"CREDIT QUALITY We track delinquency and chargeoff levels on a managed basis and we apply the same credit and portfolio management procedures as on our owned portfolio." (Household International, Inc. 3Q01 Report on Form 10-Q, filing date November 14, 2001)		11/14/2001	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																																
89	<p>Delinquency Two-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>September 30, 2001</th> <th>June 30, 2001</th> <th>March 31, 2001</th> <th>December 31, 2000</th> <th>September 30, 2000</th> </tr> </thead> <tbody> <tr> <td>Managed Real estate secured</td> <td>2.74%</td> <td>2.63%</td> <td>2.61%</td> <td>2.63%</td> <td>2.77%</td> </tr> <tr> <td>Auto finance</td> <td>2.54</td> <td>2.09</td> <td>1.79</td> <td>2.55</td> <td>2.19</td> </tr> <tr> <td>MasterCard[®] Visa</td> <td>3.91</td> <td>3.60</td> <td>3.68</td> <td>3.49</td> <td>3.48</td> </tr> <tr> <td>Private label unsecured</td> <td>5.88</td> <td>5.66</td> <td>5.50</td> <td>5.48</td> <td>5.67</td> </tr> <tr> <td>Other unsecured</td> <td>8.51</td> <td>8.43</td> <td>8.37</td> <td>7.97</td> <td>7.72</td> </tr> <tr> <td>Total managed</td> <td>4.43%</td> <td>4.27%</td> <td>4.25%</td> <td>4.20%</td> <td>4.21%</td> </tr> <tr> <td>Owned</td> <td>4.58%</td> <td>4.48%</td> <td>4.36%</td> <td>4.26%</td> <td>4.29%</td> </tr> </tbody> </table> <p>(Household International, Inc. 3Q01 Report on Form 10-Q, filing date November 14, 2001)</p>		September 30, 2001	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000	Managed Real estate secured	2.74%	2.63%	2.61%	2.63%	2.77%	Auto finance	2.54	2.09	1.79	2.55	2.19	MasterCard [®] Visa	3.91	3.60	3.68	3.49	3.48	Private label unsecured	5.88	5.66	5.50	5.48	5.67	Other unsecured	8.51	8.43	8.37	7.97	7.72	Total managed	4.43%	4.27%	4.25%	4.20%	4.21%	Owned	4.58%	4.48%	4.36%	4.26%	4.29%					
	September 30, 2001	June 30, 2001	March 31, 2001	December 31, 2000	September 30, 2000																																																	
Managed Real estate secured	2.74%	2.63%	2.61%	2.63%	2.77%																																																	
Auto finance	2.54	2.09	1.79	2.55	2.19																																																	
MasterCard [®] Visa	3.91	3.60	3.68	3.49	3.48																																																	
Private label unsecured	5.88	5.66	5.50	5.48	5.67																																																	
Other unsecured	8.51	8.43	8.37	7.97	7.72																																																	
Total managed	4.43%	4.27%	4.25%	4.20%	4.21%																																																	
Owned	4.58%	4.48%	4.36%	4.26%	4.29%																																																	
90	<p>"Managed delinquency as a percent of managed consumer receivables increased modestly over both the previous and prior-year quarters. Compared to the previous quarter, all products reported higher delinquencies principally as the result of a weakening economy."</p> <p>(Household International, Inc. 3Q01 Report on Form 10-Q, filing date November 14, 2001)</p>		11/14/2001	\$	\$																																																	
91	<p>"Why are Household's Credit Losses Better? ... Better credit skills ... Chargeoff policies are appropriate for our target market and result in proper loss recognition - All policies have been consistently applied and realistically report results"</p> <p>(Goldman Sachs Presentation, December 4, 2001)</p>		12/4/2001	\$	\$																																																	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
92	<p>HOUSEHOLD IS ACCUSED OF:</p> <ul style="list-style-type: none"> Rolling over late loans by adding missed payments to ends of loans, thus masking delinquencies Delaying recognition of charge-offs to boost earnings Moving loans from its bank subsidiary to minimize need for reserves Cutting on balance sheet reserves, though its portfolio is riskier 		12/10/2001	\$	\$	
	<p>HOUSEHOLD REPLIES:</p> <ul style="list-style-type: none"> The practice is an industry norm, and collection rates improve after loans are "re-aged" Charge-off policy follows industry standards closely Applying bank regulatory rules would barely increase the amount of charge-offs Total reserves are at the highest level in company history 					
93	<p>(Business Week, December 10, 2001)</p> <p>"Household International today reported fourth quarter earnings per share of \$1.17, its fourteenth consecutive record quarter. Fourth quarter earnings per share rose 14 percent from \$1.03 the prior year. Net income in the fourth quarter increased 11 percent, to an all-time quarterly record of \$549 million. For the full year, Household reported earnings per share of \$4.08, representing a 15 percent increase from \$3.55 in 2000. Net income for 2001 totaled \$1.9 billion, also an all-time high, 13 percent above \$1.7 billion earned in 2000."</p>		1/16/2002	\$	\$	
94	<p>(Household International, Inc. News Release, January 16, 2002)</p> <p>"Household's fourth quarter results were simply outstanding," said William F. Aldinger, chairman and chief executive officer, "demonstrating the tremendous strength and earnings power of the Household franchise. Receivable and revenue growth exceeded our expectations while credit indicators weakened only modestly in a tough economic environment."</p> <p>(Household International, Inc. News Release, January 16, 2002)</p>		1/16/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
95	"Commenting on the full-year results, Aldinger added, 'In 2001, we demonstrated that our business model generates superior results in a weak economy as well as in the strong economic periods of previous years. Exceptional revenue growth of 18 percent more than offset the increases in credit losses during the year.'" (Household International, Inc. News Release, January 16, 2002)		1/16/2002	\$	\$	
96	"Credit Quality and Loss Reserves At December 31 st , the managed delinquency ratio (60+days) was 4.46 percent, up 3 basis points from 4.43 percent in the third quarter. The managed delinquency ratio was 4.20 percent a year ago. The annualized managed net chargeoff ratio for the fourth quarter was 3.90 percent, up 16 basis points from 3.74 percent in the third quarter. The managed net chargeoff ratio in the year-ago quarter was 3.41 percent." (Household International, Inc. News Release, January 16, 2002)		1/16/2002	\$	\$	
97	"You simply cannot stay in business for 125 years by misleading your borrowers," said Household's Megan Hayden. "We do the right thing for our borrowers. We make good loans that not only are legal loans, but are beneficial for our customers." (Copley News Service, February 6, 2002)		2/6/2002	\$	\$	
98	"Household International's vice chairman and chief financial officer, David A. Schoenholz, commented on the [ACORN] complaint in a investors' conference call saying, . . . 'Our first take on this is that it is not a significant issue, not indicative of any widespread problem and certainly not a concern that it will spread elsewhere.'" (National Mortgage News, February 18, 2002)		2/18/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
99	Household reported Net Income of \$1,923.5 million in 2001, and EPS of \$4.13. (Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)		3/13/2002	\$	\$	
100	"Our credit and portfolio management procedures focus on risk-based pricing and effective collection efforts for each loan. We have a process which we believe gives us a reasonable basis for predicting the credit quality of new accounts. This process is based on our experience with numerous marketing, credit and risk management tests. We also believe that our frequent and early contact with delinquent customers, as well as policies designed to manage customer relationships, such as reaging delinquent accounts to current in specific situations, are helpful in maximizing customer collections." (Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)		3/13/2002	\$	\$	
101	"...2001 charge-off and delinquency performance has been well within our expectations." (Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)					
102	"We believe our policies are responsive to the specific needs of the customer segment we serve. . . . Our policies have been consistently applied and there have been no significant changes to any of our policies during any of the periods reported. Our loss reserve estimates consider our charge-off policies to ensure appropriate reserves exist for products with longer charge-off lives. We believe our charge-off policies are appropriate and result in proper loss recognition." (Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)		3/13/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																										
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																																										
103	<p>"Our policies for consumer receivables permit reset of the contractual delinquency status of an account to current, subject to certain limits, if a predetermined number of consecutive payments has been received and there is evidence that the reason for the delinquency has been cured. Such reaging policies vary by product and are designed to manage customer relationships and maximize collections."</p> <p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)</p>		3/13/2002	\$	\$																																											
104	<p>Household International, Inc. and Subsidiaries CREDIT QUALITY STATISTICS - OWNED BASIS</p> <p>All dollar amounts are stated in millions. At December 31, unless otherwise indicated</p> <table border="1"> <thead> <tr> <th>Owned Two-Month-and-Over Commercial Delinquency Ratios</th> <th>2001</th> <th>2000</th> <th>1999</th> <th>1998</th> <th>1997</th> </tr> </thead> <tbody> <tr> <td>Real estate secured</td> <td>2.63%</td> <td>2.58%</td> <td>3.10%</td> <td>3.95%</td> <td>3.66%</td> </tr> <tr> <td>Auto finance</td> <td>2.92</td> <td>2.46</td> <td>2.02</td> <td>2.90</td> <td>1.48</td> </tr> <tr> <td>MasterCard/ Visa</td> <td>5.67</td> <td>4.90</td> <td>3.59</td> <td>5.09</td> <td>3.55</td> </tr> <tr> <td>Private label</td> <td>5.99</td> <td>5.60</td> <td>6.09</td> <td>6.03</td> <td>5.60</td> </tr> <tr> <td>Personal non-credit card</td> <td>9.04</td> <td>7.99</td> <td>9.06</td> <td>8.24</td> <td>7.55</td> </tr> <tr> <td>Total consumer</td> <td>4.53%</td> <td>4.26%</td> <td>4.82%</td> <td>5.31%</td> <td>4.87%</td> </tr> </tbody> </table> <p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)</p>	Owned Two-Month-and-Over Commercial Delinquency Ratios	2001	2000	1999	1998	1997	Real estate secured	2.63%	2.58%	3.10%	3.95%	3.66%	Auto finance	2.92	2.46	2.02	2.90	1.48	MasterCard/ Visa	5.67	4.90	3.59	5.09	3.55	Private label	5.99	5.60	6.09	6.03	5.60	Personal non-credit card	9.04	7.99	9.06	8.24	7.55	Total consumer	4.53%	4.26%	4.82%	5.31%	4.87%			3/13/2002	\$	\$
Owned Two-Month-and-Over Commercial Delinquency Ratios	2001	2000	1999	1998	1997																																											
Real estate secured	2.63%	2.58%	3.10%	3.95%	3.66%																																											
Auto finance	2.92	2.46	2.02	2.90	1.48																																											
MasterCard/ Visa	5.67	4.90	3.59	5.09	3.55																																											
Private label	5.99	5.60	6.09	6.03	5.60																																											
Personal non-credit card	9.04	7.99	9.06	8.24	7.55																																											
Total consumer	4.53%	4.26%	4.82%	5.31%	4.87%																																											

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																																																
No. 1	<p>Challenged Statement</p>	<p>Disclosure</p>	<p>Date</p>	<p>Price per share of Household stock on the date of statement or disclosure</p>	<p>New inflation created by the false or misleading statement or omission</p>	<p>Reduction in inflation due to disclosure</p>																																																
105	<p>Household International, Inc. and Subsidiaries CREDIT QUALITY STATISTICS - MANAGED BASIS</p> <table border="1"> <tr> <td>All dollar amounts are stated in millions. At December 31, unless otherwise indicated.</td> <td>2001</td> <td>2000</td> <td>1999</td> <td>1998</td> <td>1997</td> </tr> <tr> <td>Managed Two-Month-and-Over Consumer Delinquency Ratios</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Real estate secured</td> <td>2.68%</td> <td>2.53%</td> <td>3.27%</td> <td>3.67%</td> <td>3.69%</td> </tr> <tr> <td>Auto finance</td> <td>3.16</td> <td>2.55</td> <td>2.43</td> <td>2.29</td> <td>2.09</td> </tr> <tr> <td>MasterCard/Visa</td> <td>4.10</td> <td>3.49</td> <td>2.78</td> <td>3.75</td> <td>3.10</td> </tr> <tr> <td>Private label</td> <td>5.48</td> <td>5.48</td> <td>5.97</td> <td>6.20</td> <td>5.81</td> </tr> <tr> <td>Personal non-credit card</td> <td>8.87</td> <td>7.97</td> <td>8.81</td> <td>7.94</td> <td>7.81</td> </tr> <tr> <td>Total consumer</td> <td>4.45%</td> <td>4.20%</td> <td>4.56%</td> <td>4.90%</td> <td>4.64%</td> </tr> </table> <p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)</p>	All dollar amounts are stated in millions. At December 31, unless otherwise indicated.	2001	2000	1999	1998	1997	Managed Two-Month-and-Over Consumer Delinquency Ratios						Real estate secured	2.68%	2.53%	3.27%	3.67%	3.69%	Auto finance	3.16	2.55	2.43	2.29	2.09	MasterCard/Visa	4.10	3.49	2.78	3.75	3.10	Private label	5.48	5.48	5.97	6.20	5.81	Personal non-credit card	8.87	7.97	8.81	7.94	7.81	Total consumer	4.45%	4.20%	4.56%	4.90%	4.64%		3/13/2002	\$	\$	
All dollar amounts are stated in millions. At December 31, unless otherwise indicated.	2001	2000	1999	1998	1997																																																	
Managed Two-Month-and-Over Consumer Delinquency Ratios																																																						
Real estate secured	2.68%	2.53%	3.27%	3.67%	3.69%																																																	
Auto finance	3.16	2.55	2.43	2.29	2.09																																																	
MasterCard/Visa	4.10	3.49	2.78	3.75	3.10																																																	
Private label	5.48	5.48	5.97	6.20	5.81																																																	
Personal non-credit card	8.87	7.97	8.81	7.94	7.81																																																	
Total consumer	4.45%	4.20%	4.56%	4.90%	4.64%																																																	
106	<p>"Management has long recognized its responsibility for conducting the company's affairs in a manner which is responsive to the interest of employees, shareholders, investors and society in general. This responsibility is included in the statement of policy on ethical standards which provides that the company will fully comply with laws, rules and regulations of every community in which it operates and adhere to the highest ethical standards. Officers, employees and agents of the company are expected and directed to manage the business of the company with complete honesty, candor and integrity."</p> <p>(Household International, Inc. FY01 Report on Form 10-K, filing date March 13, 2002)</p>		3/13/2002	\$	\$																																																	
107	<p>"Credit Quality Trend Manageable, Modest Increases" [chart on HHS 01883530]</p> <p>(Household International Financial Relations Conference, April 9, 2002)</p>		4/9/2002	\$	\$																																																	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
108	"Credit Policies Overview In some cases, charge-off policy is longer than bank policy to optimize customer management"		4/9/2002	\$	\$	
109	(Household International Financial Relations Conference, April 9, 2002) "Reage Policies Overview" - Reage policies are an inherent part of value proposition for our customers for which they pay above bank prices. - Not intended to defer credit loss recognition or to overstate net income - Policies have been consistently applied and are appropriate for each product"		4/9/2002	\$	\$	
110	(Household International Financial Relations Conference, April 9, 2002) "Credit Policies – Personal Non-Credit Card Restructures If an account is ever 90+, lifetime limit of 4 restructures allowed"		4/9/2002	\$	\$	
111	(Household International Financial Relations Conference, April 9, 2002) Defendants issued false or misleading information regarding Household's reaged portfolio in a number of charts included in Exhibit Insert charts on HHS01883560, HHS01883561, HHS01883562, HHS01883564, HHS01883565, HHS01883566, HHS01883567]		4/9/2002	\$	\$	
112	(Household International Financial Relations Conference, April 9, 2002) "Household International today reported first quarter earnings per share of \$1.09, its fifteenth consecutive record quarter. First quarter earnings per share rose 20 percent from \$.91 the prior year. Net income in the first quarter increased 18 percent, to a record \$511 million." (Household International, Inc. News Release, April 17, 2002)		4/17/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
113	<p>“Household turned in a very strong first quarter,” said William F. Aldinger, Household’s chairman and chief executive officer, “. . . . In addition to delivering record results this quarter, we strongly added to our capital and reserve levels and further enhanced liquidity. We remain committed to maintaining a strong balance sheet and maximum financial flexibility.”</p>		4/17/2002	\$	\$	
114	<p>(Household International, Inc. News Release, April 17, 2002)</p> <p>“Our credit quality performance was well within our expectations in light of the continued weakness in the economy,” Aldinger continued. “We anticipate a very manageable credit environment for the remainder of the year.”</p>		4/17/2002	\$	\$	
115	<p>(Household International, Inc. News Release, April 17, 2002)</p> <p>“Credit Quality and Loss Reserves</p> <p>At March 31st, the <i>managed basis</i> delinquency ratio (60+-days) was 4.63 percent, up 17 basis points from 4.46 percent at year-end 2001 and up 38 basis points from 4.25 percent a year ago. The annualized <i>managed basis</i> net charge-off ratio for the first quarter of 4.09 percent increased 19 basis points from 3.90 percent in the fourth quarter of 2001.”</p>		4/17/2002	\$	\$	
116	<p>(Household International, Inc. News Release, April 17, 2002)</p> <p>“The <i>owned basis</i> delinquency ratio at March 31st was 4.77 percent, compared to 4.53 percent at December 31st and 4.36 percent a year ago. The annualized <i>owned basis</i> charge-off ratio for the first quarter was 3.61 percent compared to 3.43 percent in the previous quarter and 3.12 percent a year ago.”</p>		4/17/2002	\$	\$	
117	<p>(Household International, Inc. News Release, April 17, 2002)</p> <p>“It is absolutely against our policy to in any way quote a rate that is different than what the true rate is,” Hayden said. “I can’t underscore that enough.”</p> <p>(<i>The Bellingham Herald</i>, April 22, 2002)</p>		4/22/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																												
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																												
118	<p>"Household quickly denied that it misleads customers. . . . In response to the latest suit, Household denied that it misleads customers. 'Acorn continues to launch baseless accusations and lawsuits rather than work to enact real solutions to help eliminate predatory lending from the marketplace,' the lender's statement said."</p> <p>(Chicago Tribune, May 3, 2002)</p>		5/3/2002	\$	\$																													
119	<p>Household reported net income of \$511 million, and EPS of \$1.10.</p> <p>(Household International, Inc. 1Q02 Report on Form 10-Q, filing date May 10, 2002)</p>		5/10/2002	\$	\$																													
120	<p>CREDIT QUALITY</p> <p>Delinquency - Owned Basis</p> <p>Two-Months and Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>March 31, 2002</th> <th>December 31, 2001</th> <th>March, 31 2001</th> </tr> </thead> <tbody> <tr> <td>Real estate secured</td> <td>2.88%</td> <td>2.63%</td> <td>2.53%</td> </tr> <tr> <td>Auto finance</td> <td>2.04</td> <td>2.92</td> <td>1.74</td> </tr> <tr> <td>MasterCard/Visa</td> <td>6.54</td> <td>5.67</td> <td>5.02</td> </tr> <tr> <td>Private label</td> <td>6.33</td> <td>5.99</td> <td>5.62</td> </tr> <tr> <td>Personal non-credit card</td> <td>9.60</td> <td>9.04</td> <td>8.79</td> </tr> <tr> <td>Total Owned</td> <td>4.77%</td> <td>4.53%</td> <td>4.36%</td> </tr> </tbody> </table>		March 31, 2002	December 31, 2001	March, 31 2001	Real estate secured	2.88%	2.63%	2.53%	Auto finance	2.04	2.92	1.74	MasterCard/Visa	6.54	5.67	5.02	Private label	6.33	5.99	5.62	Personal non-credit card	9.60	9.04	8.79	Total Owned	4.77%	4.53%	4.36%		5/10/2002	\$	\$	
	March 31, 2002	December 31, 2001	March, 31 2001																															
Real estate secured	2.88%	2.63%	2.53%																															
Auto finance	2.04	2.92	1.74																															
MasterCard/Visa	6.54	5.67	5.02																															
Private label	6.33	5.99	5.62																															
Personal non-credit card	9.60	9.04	8.79																															
Total Owned	4.77%	4.53%	4.36%																															
121	<p>(Household International, Inc. 1Q02 Report on Form 10-Q, filing date May 10, 2002)</p> <p>"Our position is that the accusations are baseless," Hayden said. "The loans are legal, they are compliant with state and federal laws and our own policies, and in each instance they have benefits for each customer. . . . Hayden says the loan conforms to the company's 'tangible benefits test.'" (The Record (Bergen County, NJ), May 10, 2002)</p>		5/10/2002	\$	\$																													

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
122	"All of our lending policies are in accord with federal and state regulations and requirements," Stream said." (Associated Press Online, May 14, 2002)		5/14/2002	\$	\$	
123	"It is our regulators' and the attorney general's job to investigate any complaints brought forth by consumers in their state, and we don't find anything unique or surprising that they are doing their job," [Hayden] said. "As part of that they, of course, bring forth those issues to us and we take proper steps to work with the department to uncover the facts and if necessary formulate an appropriate resolution for the borrower." (American Banker, May 31, 2002)		5/31/2002	\$	\$	
124	"Some customers" in Bellingham "may indeed have been justified in their confusion about the rate of their loan," she said. Ms. Hayden said Household "took full and prompt responsibility." Household, she said, is "satisfied that this situation was localized to the Bellingham branch." (American Banker, May 31, 2002)		5/31/2002	\$	\$	
125	"Household International officials deny any pattern of wrongdoing and say the company is open to changes in its lending practices if they are harmful to consumers. 'We've made mistakes,' said Megan Hayden, spokeswoman for the Prospect Heights, Ill., company. 'Is there a companywide pattern of abuse? Absolutely not.'" (The Oregonian, July 2, 2002)		7/2/2002	\$	\$	
126	"Household International today reported second quarter earnings per share increased 16 percent to \$1.08, from \$.93 the prior year. These results mark Household's sixteenth consecutive record quarter. Second quarter net income increased 17 percent, to a record \$514 million." (Household International, Inc. News Release, July 17, 2002)		7/17/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure
127	<p>“Our results this quarter were fueled by ongoing strong demand for our loan products,” said William F. Aldinger, Household’s chairman and chief executive officer. “Growth this quarter was strong, while we have maintained our conservative underwriting criteria.”</p> <p>(Household International, Inc. News Release, July 17, 2002)</p>		7/17/2002	\$	\$	
128	<p>“Credit Quality and Loss Reserves . . . At June 30th, the managed basis delinquency ratio (60+days) was 4.53 percent, down 10 basis points from 4.63 percent at the end of March, led by improvement in the MasterCard/Visa portfolio. The managed basis delinquency ratio was 4.27 percent a year ago. The annualized managed basis net charge-off ratio for the second quarter of 4.26 percent was 17 basis points higher than the first quarter and 55 basis points higher than a year ago.”</p> <p>(Household International, Inc. News Release, July 17, 2002)</p>		7/17/2002	\$	\$	
129	<p>“The owned basis delinquency ratio at June 30th was 4.61 percent, compared to 4.77 percent at March 31st and 4.48 percent a year ago. The annualized owned basis net charge-off ratio for the second quarter was 3.76 percent compared to 3.61 percent in the previous quarter and 3.26 a year ago.”</p> <p>(Household International, Inc. News Release, July 17, 2002)</p>		7/17/2002	\$	\$	
130	<p>“Commenting on the company’s recent results, Aldinger said, “Household’s results for the year-to-date have been fueled by strong demand for our loan products throughout our businesses. Our loan underwriting approach continues to be conservative in these times of economic uncertainty, and we remain committed to strong reserve and capital levels.”</p> <p>(Household International, Inc. News Release, August 14, 2002)</p>		8/14/2002	\$	\$	
131	<p>(Household International, Inc. News Release, August 14, 2002)</p> <p>Household reported net income of \$507.4 million and EPS of \$1.08.</p> <p>(Household International, Inc. 2Q02 Report on Form 10-Q, filing date August 14, 2002)</p>		8/14/2002	\$	\$	

	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6																												
No. 1	Challenged Statement	Disclosure	Date	Price per share of Household stock on the date of statement or disclosure	New inflation created by the false or misleading statement or omission	Reduction in inflation due to disclosure																												
132	<p>CREDIT QUALITY</p> <p>Delinquency - Owned Basis 12-Months-and-Over Contractual Delinquency (as a percent of consumer receivables):</p> <table border="1"> <thead> <tr> <th></th> <th>June 30, 2002</th> <th>March 31, 2002</th> <th>June 30, 2001</th> </tr> </thead> <tbody> <tr> <td>Real estate secured</td> <td>2.78%</td> <td>2.88%</td> <td>2.59%</td> </tr> <tr> <td>Auto finance</td> <td>2.99</td> <td>2.04</td> <td>2.35</td> </tr> <tr> <td>MasterCard/Visa</td> <td>6.13</td> <td>6.54</td> <td>4.80</td> </tr> <tr> <td>Private label</td> <td>6.19</td> <td>6.33</td> <td>6.54</td> </tr> <tr> <td>Personal non-credit card</td> <td>9.12</td> <td>9.60</td> <td>8.79</td> </tr> <tr> <td>Total Owned</td> <td>4.61%</td> <td>4.77%</td> <td>4.48%</td> </tr> </tbody> </table> <p>(Household International, Inc. 2Q02 Report on Form 10-Q, filing date August 14, 2002)</p>		June 30, 2002	March 31, 2002	June 30, 2001	Real estate secured	2.78%	2.88%	2.59%	Auto finance	2.99	2.04	2.35	MasterCard/Visa	6.13	6.54	4.80	Private label	6.19	6.33	6.54	Personal non-credit card	9.12	9.60	8.79	Total Owned	4.61%	4.77%	4.48%		8/14/2002	\$	\$	
	June 30, 2002	March 31, 2002	June 30, 2001																															
Real estate secured	2.78%	2.88%	2.59%																															
Auto finance	2.99	2.04	2.35																															
MasterCard/Visa	6.13	6.54	4.80																															
Private label	6.19	6.33	6.54																															
Personal non-credit card	9.12	9.60	8.79																															
Total Owned	4.61%	4.77%	4.48%																															
133	<p>"Our credit policies for consumer loans permit the reset of the contractual delinquency status of an account to current, subject to certain limits, if a predetermined number of consecutive payments has been received and there is evidence that the reason for the delinquency has been cured. Such resetting policies vary by product and are designed to manage customer relationships and ensure maximum collections."</p> <p>(Household International, Inc. 2Q02 Report on Form 10-Q, filing date August 14, 2002)</p>		8/14/2002	\$	\$																													
134	<p>"We clearly follow all state and federal laws and regulations," Household spokeswoman Megan Hayden said."</p> <p>(Origination News, September 2002)</p>		9/1/2002	\$	\$																													
135	<p>"A Household spokeswoman said she is not aware of any pending enforcement actions or settlement talks."</p> <p>(National Mortgage News, September 2, 2002)</p>		9/27/2002	\$	\$																													