

FILED

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

FEB 28 2003

MICHAEL W. DOUGLAS
CLERK, U.S. DISTRICT COURT

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Lawrence E. Jaffe Pension Plan, On Behalf of
Itself and All Others Similarly Situated,

Case No. 02 C 5893

Plaintiff,

CLASS ACTION

-against-

Judge Ronald A. Guzman
Magistrate Judge Nan R. Nolan

Household International, Inc., et al.

Defendants.
-----x

DOCKETED

MAR 03 2003

**PLAINTIFF WILLIAMSON'S REPLY TO PLAINTIFF JAFFE'S MOTION FOR A
FINDING OF RELATEDNESS AND ARTHUR ANDERSEN, LLP'S OPPOSITION**

Plaintiff Leland Williamson, derivatively on behalf of Household International, Inc., by his attorneys, respectfully submits this reply to Plaintiff Lawrence E. Jaffe's Pension Plan's ("Jaffe") Motion For a Finding of Relatedness and Arthur Andersen, LLP's Opposition.

There is no question that the seven class action complaints ("class actions") consolidated under Jaffe v. Household International, Inc., 02 C 5893 and the derivative complaint under Williamson v. Aldinger, et al., 03 C 00331 are "related" as defined by Local Rule 40.4(a) as the class actions and the derivative case meet two tests for relatedness: they "involve some of the same issues of fact or law" (LR 40.4(a)(2)) and also "grow out of the same transaction or occurrence..." (LR 40.4(a)(3)). Under the Local Rule, in order for two or more civil cases to be deemed related, they need to meet only one of the four tests listed.

As Lead Counsel in the class actions correctly points out in its Motion For a Finding of Relatedness, the cases both call into question defendants' accounting of expenses related to credit card co-branding and affinity agreements, defendants' accounting of expenses related to a

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third-party marketing agreement, defendants' practice of re-aging delinquent accounts, defendants' accounting of pension fund income, and defendants' lending practices. The derivative complaint names 17 individual Household International, Inc. board members and top officers as defendants; the current class actions name only two. Nevertheless, none of these 17 defendants objects to the motion; nor does counsel for the nominal defendant, Household International, Inc. It further appears that all of the conditions of reassignment set forth in Local Rule 40.4(b) are also met, and there is no reasonable basis to object to the motion.


The only party to object to the motion is Arthur Andersen, LLP ("Andersen"). Anderson does not contend that the cases do not meet the relatedness test under Local Rule 40.4(a), or that the conditions for reassignment under Local Rule 40.4(b) are not satisfied. Andersen does contend that because Jaffe is governed by the PSLRA, and it is named a defendant in Jaffe but not Williamson, a finding of relatedness would somehow complicate the litigation. However, Jaffe's motion does not seek to consolidate; it simply seeks a finding of relatedness and then reassignment of Williamson to this Court. Because the motion does not seek to have the class action and the derivative action consolidated, Andersen will not need to attend court hearings and conferences in the Williamson case, nor will it need to concern itself with the nature of the claims asserted against the directors and officers for claims under the Sarbanes-Oxley Act and the common law; though it may be appropriate for the parties to coordinate depositions that are relevant in both actions.

The fact that one case has legal issues not raised in the other is no reason to deny the motion. Chicago Fire Fighters Union No. 2 v. Washington, 1989 U.S. Dist. LEXIS 693 (N.D. Ill. 1989) (Judge Holderman rejects plaintiff's contention in later filed suit that the case was not related under former Local Rule 2.31 to an earlier suit where though the "essence" of the cases were different, the common issues were "more numerous" than the differences); Robbins v.

Pepsi-Cola, 1985 U.S. Dist. LEXIS 12279 (N.D. Ill. 1985) (Judge Nordberg also finding two cases related even though second suit “contains new issues” where the “overriding factual and legal” issues were similar).

If this Court denies the motion for a finding of relatedness, then both this Court and Judge Manning (to whom Williamson is currently assigned) will have to address many of the very same legal and factual issues. Andersen’s approach promotes judicial waste of resources, rather than savings. After review, Williamson concurs with Jaffe’s Motion for a Finding of Relatedness and Reassignment. The motion should be granted.

Leland Williamson, derivatively on behalf of
Household International, Inc.,

By: 
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Dated: February 28, 2003

CERTIFICATE OF SERVICE

The undersigned, an attorney herein, does hereby certify that he caused a copy of Plaintiff Williamson's Reply to Plaintiff Jaffe's Motion For a Finding of Relatedness and Arthur Andersen, LLP's Opposition to be served via U.S. mail on this 28th day of February, 2003 on the following.

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