

**IN THE UNITED STATES DISTRICT COURT  
FOR THE 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)

Judge Ronald A. Guzman  
Magistrate Judge Nan R. Nolan

**AFFIDAVIT OF DIANE E. GIANNIS IN SUPPORT OF DEFENDANTS'  
MEMORANDUM OF LAW IN OPPOSITION TO LEAD PLAINTIFFS' MOTION TO  
COMPEL CERTAIN RESPONSES TO THE THIRD SET OF INTERROGATORIES**

STATE OF ILLINOIS)

ss.:

COUNTY OF COOK )

DIANE E. GIANNIS, being first duly sworn, deposes and says:

1. I am currently the Director of Business Systems within HSBC Technology & Services (USA), Inc. (hereinafter "HTS") and have held this position since October 2004. HTS provides information technology solutions and support for, among other units, the Consumer Lending business unit. Among other duties and responsibilities, I am familiar with the information management systems for Consumer Lending. I make this affidavit based on my personal knowledge, discussions with other employees, and review of relevant documents.

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2. I have reviewed certain of Lead Plaintiffs' Third Set of Interrogatories (the "Third Interrogatories", Tab A hereto) in order to ascertain what information, if any, is maintained by HTS that may be responsive to these interrogatories. I also estimated the burden and cost involved in gathering and obtaining information that existed that may be responsive to the questions.

3. I investigated whether HTS maintained electronic data or hard copy records that may be responsive to Interrogatory Nos. 40 through 42. I was not aware of any such hard copy records and, upon investigation, I learned that no such hard copy records exist within HTS. Thus, the estimates I provide herein are based on analyses of electronic data only.

4. HTS is capable of developing software programs to analyze customer account data that is maintained for closed-end and revolving loans secured by real property. HTS would have to develop this software specifically for the purpose of gathering the information requested by Plaintiffs. Developing special software programs to respond to litigation requests is not part of HTS's day-to-day business operations. Developing the software programs necessary to respond to Interrogatories 40-42 would require labor by an employee of HTS dedicated to the project full-time, interrupting the work-related responsibilities of such an HTS employee.

5. The following information could be obtained by analyzing the customer account data that is available via a data warehouse that contains data for loans open from 1999 forward:

- (a) approximately 20 business days at a cost of \$9,500 would be required to determine a) the number of closed end and revolving real estate and PHL loans originated from 1999-2003 where the origination fee and discount points were in excess of 7% of the loan principal; b) the average interest rate for such loans; and c) the number of loans where the customer also

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had a second loan from Household which loan had an origination date within 15 days of the origination date of the first loan. This information may be responsive to the three subparts of Interrogatory No. 40 as I understand it. This estimate assumes that a subsequent loan for a customer will be identified by matching on customer name and/or social security number, not property address.

- (b) approximately 25 business days at a cost of \$11,875 would be required to determine, where Household has originated two loans to a customer within 15 days of each other, on a quarterly basis for the period between January 1, 1999 through December 31, 2002: a) the average loan to value ratio using only the first loan; b) the average loan to value ratio using both the first and second loan c) the revenues associated with any origination fees or discount points charged for the first loan; d) the revenues associated with any origination fees or discount points charged for the second loan; e) the average interest rate of the first loan; and f) the average interest rate of the second loan. This information may be responsive to Interrogatory No. 41 as I understand it. This estimate assumes that a subsequent loan for a customer will be identified by matching on customer name and/or social security number, not property address.
- (c) approximately 19 business days at a cost of \$9,025 would be required to determine the following information regarding prepayment penalties on closed end and revolving real estate and PHL loans which originated in 1999-2002: a) quarterly revenues from prepayment penalties where the customer refinanced with Household; b) quarterly revenues from prepayment penalties where the penalty related to a loan in its third year or

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later. This information may be responsive to Interrogatory No. 42 as I understand it.

The above estimates in paragraph 5 (a) through (c) assume that a person is devoted to these tasks on a full-time basis. Moreover, if performed concurrently, it would take approximately 56 business days (as opposed to 64 if completed separately) to complete all of the work described in paragraph 5 (a) through (d) at a cost of approximately \$26,600.

6. There is a qualification to the estimates I provided in paragraph 5 (b). Information requested in subparts (a) and (b) of Interrogatory 41 is not available for loans with contract dates after October 5, 2002.

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*Diane E. Giannis*  
DIANE E. GIANNIS

Sworn to before me this  
13th day of July, 2006

*Christine H. Tolemy*  
Notary Public

