

**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,)	Case No. 02 C 5893
)	
v.)	Hon. Ronald A. Guzman
)	Magistrate Judge Nolan
HOUSEHOLD INTERNATIONAL, INC.,)	
ARTHUR ANDERSEN LLP,)	
W.F. ALDINGER, and D.A.)	
SCHOENHOLZ,)	
)	
Defendants.)	

**STATEMENT OF ARTHUR ANDERSEN LLP IN RESPONSE TO PLAINTIFFS’
OBJECTION TO THE MAGISTRATE’S ORDER FINDING PRIVILEGE**

In Response to the Class’ Objection to the Magistrate’s Order Regarding the Application of the Work-Product Doctrine to Audit Letters and Related Documents (the “Objection”), Arthur Andersen LLP (“Andersen”), a non-party to this action, by counsel, states as follows:

1. Andersen was originally named as a defendant in this action.
2. On April 11, 2006, pursuant to the Stipulation of Settlement with Arthur Andersen LLP, this Court entered a Final Judgment and Order of Dismissal with Prejudice as to Arthur Andersen LLP.
3. Prior to the dismissal of all claims in this case as to Andersen, Andersen inadvertently produced to plaintiffs certain documents that were generated in the course of Andersen’s audits of Household International, Inc.’s (“Household”) financial statements as to which a good faith basis of privilege could be asserted (the “Documents”).

4. As a result, Andersen requested that plaintiffs return the Documents pursuant to the procedures outlined in Paragraph 28 of the Protective Order entered in this action. Because plaintiffs did not do so, Andersen filed a motion on April 27, 2006 seeking return of the Documents, and, given its status as a non-party, proposed a schedule for further briefing by the parties. Magistrate Judge Nan R. Nolan (the “Magistrate”) adopted the proposed briefing schedule on April 28, 2006.

5. After extensive briefing by the parties, the Magistrate entered an order dated July 11, 2006 granting Andersen’s motion for return of the Documents (the “Order”). For all the reasons stated therein, and for all the reasons stated in Household’s briefing on the issue, the Order is neither clearly erroneous nor contrary to law under Federal Rule of Civil Procedure 72(a). *See, e.g., American Motors Corp. v. Great Am. Surplus Lines Ins. Co.*, 1988 WL 2788, at *1 (N.D. Ill. Jan. 8, 1988) (“A finding is clearly erroneous only when ‘the reviewing court on the entire evidence is left with the definite and firm conviction that a mistake has been committed’ Ordinarily, under clearly erroneous review, if there are two permissible views, the reviewing court should not overturn the decision solely because it would have chosen the other view.”) (citation omitted).

6. Therefore, because plaintiffs have not established that the Magistrate’s Order is clearly erroneous, this Court should deny the Objection.

Dated: August 4, 2006

Respectfully submitted,

/s/ Mark D. Brookstein

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CERTIFICATE OF SERVICE

I hereby certify that on August 4, 2006, I caused copies of **STATEMENT OF ARTHUR ANDERSEN LLP IN RESPONSE TO PLAINTIFFS' OBJECTION TO THE MAGISTRATE'S ORDER FINDING PRIVILEGE** to be served upon the following persons by electronic service and/or electronic mail:

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