

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
ATTORNEYS AT LAW

CALIFORNIA • NEW YORK • NEW JERSEY

JOHN P. COFFEY
sean@blbglaw.com
212-554-1409

November 6, 2002

By Fax

The Honorable Denise L. Cote
United States District Judge
United States District Court
Southern District of New York
500 Pearl Street, Room 1040
New York, New York 10007

Re: *In Re WorldCom Inc. Securities Litigation*, Master File No. 02 Civ. 3228 (DLC)

Dear Judge Cote:

Pursuant to our conference call with the Court last evening, I write on behalf of Lead Plaintiff New York State Common Retirement Fund (the "NYSCRF") and co-Lead Counsel Barrack, Rodos & Bacine to apprise the Court of the status of our putative motion for limited relief from the discovery stay imposed pursuant to Section 21D(b)(3)(B) of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(b)(3)(B) (the "PSLRA").

As noted in yesterday's call, the NYSCRF has already taken the first step of what we view as a two step process to obtain judicial permission to obtain copies of certain documents that WorldCom has already produced to Congress, the Government and others investigating the fraud at the company. Specifically, on October 2, 2002, we filed a motion with the Bankruptcy Court seeking an order lifting the bankruptcy stay to allow the NYSCRF to obtain those documents from the debtor, WorldCom. The debtor and the creditors committee opposed our request. After hearing argument on October 29, Judge Gonzalez ruled from the bench, granting the NYSCRF's motion. Our bankruptcy motion, and Judge Gonzalez' ruling, makes any production by WorldCom subject to obtaining an order from Your Honor lifting the PSLRA stay to allow for production of these documents. Judge Gonzalez asked the NYSCRF to circulate and settle a proposed order memorializing his ruling.

On Thursday, October 31, the NYSCRF's bankruptcy counsel circulated for comment a proposed order to WorldCom's bankruptcy counsel, Weil Gotshal & Manges, and the creditors'

1285 AVENUE OF THE AMERICAS • NEW YORK • NY 10019-6028
TELEPHONE: 212-554-1400 • www.blbglaw.com • FACSIMILE: 212-554-1444



The Honorable Denise L. Cote
November 6, 2002
Page 2

committee counsel, Akin Gump Strauss Hauer Feld. Despite several requests, we have yet to receive any specific comments from either of those parties.

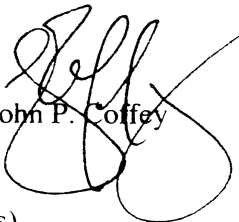
We did receive calls from attorneys for the U.S. Attorney's Office and the Securities and Exchange Commission, however. The Government expressed concern about some aspects of the relief we were seeking, and asked that we amend the proposed Bankruptcy Court order to address those concerns. As indicated on our call last evening, we have agreed to the Government's proposed changes. We have also agreed to amend our putative motion to Your Honor to reflect our agreement with the Government.

The proposed Bankruptcy Court order incorporating the language approved by the Government and the NYSCRF was distributed to counsel yesterday evening. This morning we informed counsel for WorldCom and the creditors committee that, absent objection from them, we intend to submit the agreed order to Judge Gonzalez tomorrow. Just moments ago, we were told that they intend to circulate a version with additional changes. We are unsure whether these changes are cosmetic or likely to prompt further delay in the Bankruptcy Court, but we intend to pursue a prompt resolution of this matter.

As stated last evening, the NYSCRF intends to file its motion for limited relief from the PSLRA stay immediately after Judge Gonzalez enters the order.

Thank you for your consideration of this matter.

Respectfully submitted,



John P. Coffey

cc (by fax):

Paul Cumin, Esq. (Counsel for the director defendants)
Jay Kasner, Esq. (Counsel for underwriter defendants)
Eliot Lauer, Esq. (Counsel for defendant Arthur Andersen LLP)
Peter Vigeland, Esq. (Counsel for defendants Salomon Smith Barney and Jack Grubman)
Lyndon Tretter, Esq. (Counsel for defendant Bernard Ebbers)
Irv Nathan, Esq. (Counsel for defendant Scott Sullivan)
Adam Stochak, Esq. (Debtor's Counsel for WorldCom)
Ira Dizengoff, Esq. (Counsel for the creditors committee)
Assistant U.S. Attorney Evan Barr
Jeffrey Golan, Esq. (Co-Lead Counsel for the NYSCRF and putative Class)
Michael Etkin, Esq. (Bankruptcy counsel for the NYSCRF and putative C₁)