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November 10, 2003

**By Hand**

The Honorable Denise L. Cote  
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. 3288 (DLC)  
(Issue: *E-Discovery from Salomon*)

Dear Judge Cote:

We are writing on behalf of Lead Plaintiff New York State Common Retirement Fund and Co-Lead Counsel Barrack, Rodos & Bacine to address briefly what we believe is the only unresolved issue relating to the production of electronic documents ("e-discovery") by the Salomon Defendants in response to our document requests. (E-discovery issues pertaining to the other Underwriter Defendants are addressed in a separate letter which we are also submitting today.)

We have engaged in several meet and confer sessions with counsel to Salomon focused on resolving issues between the parties regarding e-discovery. We have managed to narrow substantially the gap between our respective positions. We have agreed to limit the number of individuals at Salomon whose e-mails should be searched, and Salomon has offered to search and produce e-mails from certain individuals not originally offered to us. However, as discussed below, there is still a gap between our respective positions. Although our hope is that the parties will be able to bridge this gap before the conference scheduled for this Thursday, we have outlined below the primary issue separating our respective positions in case it is necessary for the Court to resolve this matter at the November 13 conference.

The primary issue that separates plaintiffs and Salomon with respect to e-discovery is whether Salomon will search and produce e-mails of 14 particular individuals who worked on the WorldCom Offerings.<sup>1</sup> Based on our review of documents already produced as well as Salomon's response to Lead Plaintiff's interrogatory concerning the individuals at

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<sup>1</sup> We have also asked that Salomon search and produce responsive, non-privileged e-mails from the files of Salomon commitment committee members who reviewed and/or approved of Salomon's participation as an underwriter in the Offerings. Salomon has not yet identified for our benefit who those individuals are, so we are unable at this point to identify them by name or to identify how many of these individuals there are (although we believe the number will be relatively small).



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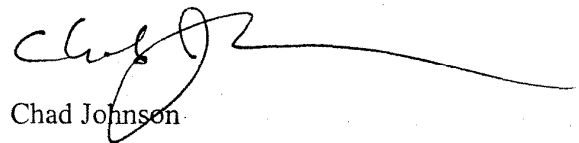
Salomon who conducted due diligence for the Offerings, it is clear that the 14 individuals at issue played significant roles in connection with the Offerings. For example, those individuals include managing directors, vice presidents, and research analysts in Salomon's investment banking and capital market departments who were identified on the working group lists related to the Offerings. Moreover, nine of those individuals were identified by Salomon itself in response to Lead Plaintiff's interrogatory which requested the names of individuals who performed due diligence in connection with the Offerings.

Notably, even if Salomon were required to search and produce the e-mails of the 14 individuals at issue, the total number of Salomon personnel whose e-mails would be screened is only 28. By comparison, JP Morgan – which like Salomon served as co-lead underwriter for several of the Offerings – has agreed to search the e-mails of 36 J.P. Morgan employees. Also, every Underwriter Defendant in this case other than Salomon has agreed to search the e-mails of all individuals who were identified in their responses to Lead Plaintiff's interrogatory asking about who was involved in due diligence, as well as *certain additional* individuals who are identified on the working group lists for the Offerings. Salomon stands alone in its refusal to search and produce the e-mails of such individuals.

Salomon's stated position is that it should not need to search the e-mail files of these additional 14 individuals, particularly since Salomon has already produced a substantial number of e-mails. However, the e-mails produced by Salomon are photocopies of those produced to the regulatory authorities in connection with the investigation into research analysts' conflicts of interest. Not surprisingly, that production is largely not responsive to Lead Plaintiff's requests pertaining to the WorldCom Offerings (and in particular Salomon's role as a co-lead underwriter for the Offerings). *Indeed, to our knowledge, the e-mails of only two* Salomon employees who worked on the Offerings were searched and produced in connection with Salomon's production to the regulatory authorities. Accordingly, Salomon's *prior production certainly should not relieve it of the obligation to search and produce e-mails from the files of the individuals at issue who are identified as having served in significant roles in connection with the Offerings.*

Finally, as noted above, our hope is that we will be able to resolve this and any other remaining issues related to the production of e-mails by Salomon prior to the conference scheduled for this Thursday. If any such issues cannot be resolved by then, we will be prepared to address them further with the Court at the November 13 conference.

Respectfully submitted,



Chad Johnson

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cc (by fax):

All Defendants' Counsel

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