
IN RE WORLDCOM, INC. SECURITIES
LITIGATION

MASTER FILE
02 Civ. 3288 (DLC)

This Document Relates To:

All Actions

COURT-ORDERED
NOTICE TO ALL INVESTORS WHO HAVE
FILED INDIVIDUAL WORLDCOM ACTIONS

PLEASE READ CAREFULLY.

This Notice is being sent by Order of the United States District Court for the Southern District of New York (the "Court"), which is supervising the class action securities litigation arising out of the collapse of WorldCom, Inc. ("WorldCom") (the "WorldCom Securities Class Action"), as well as related individual lawsuits. The District Court has directed that you receive this Notice because you have filed an individual lawsuit (an "Individual WorldCom Action") that is related to the WorldCom Securities Class Action. This Notice has been reviewed and approved by the Court. The Court has not yet ruled on whether any of the Plaintiffs' allegations in either the WorldCom Securities Class Action or any of the Individual WorldCom Actions has merit.

It is important that you immediately and carefully read this entire Notice, which is meant to be consistent with, and should be read in conjunction with, the separate Notice of Class Action (the "Class Notice"), which has been sent to you and to all Class members. You may be a member of a class that has been certified in the WorldCom Securities Class Action, and if a Class member, you have the right to share in the settlement or other recovery, if any, obtained by the Class. You may, however, choose not to remain in the Class and choose instead to continue with your Individual WorldCom Action. You must make that choice by February 20, 2004, the date that the period of time to opt out of the WorldCom Securities Class Action ends. You must opt out of the WorldCom Securities Class Action by February 20, 2004 if you wish to continue to attempt to pursue your Individual WorldCom Action.

Every Class member who has suffered a loss has the right to bring an individual action and to choose to "opt out" of the Class. Because that decision could have a very serious impact on your right to recover damages for any losses you suffered through your purchase or sale of WorldCom securities, it is important that you make that decision carefully and after being fully and accurately advised of the legal consequences to you of any decision that you might make. As reflected in an Order of November 17, 2003 ("November 17 Order"), the Court has determined that clients of Milberg Weiss Bershad Hynes & Lerach LLP ("Milberg Weiss") who have filed Individual WorldCom Actions ("Milberg Weiss Actions") may not have been provided with accurate information regarding (i) the WorldCom Securities Class Action, and (ii) the advantages and disadvantages of filing an Individual WorldCom Action. Therefore, this Notice is designed to give every Class member who has filed an Individual WorldCom Action information that they may need to make an informed choice as to whether to opt out of the WorldCom Securities Class Action.

One important issue for you to consider is the timeliness of your Individual WorldCom Action. On November 21, 2003 ("November 21 Order") the Court ruled on motions made by defendants in one of the Milberg Weiss Actions. The November 21 Order may have important consequences for your Individual WorldCom Action, including the statute of limitations law that may apply to your claims. Based on the rulings in the November 21 Order, defendants in the Individual WorldCom Actions have filed motions to dismiss with prejudice some or all of the claims brought in many Individual WorldCom Actions. The opposition to the motions is due December 23, 2003. If the claims are dismissed with prejudice, then the defendants take the position that the plaintiffs in these Individual WorldCom Actions will lose forever their right to recover for any WorldCom losses covered by the dismissed claims.

Therefore, over the course of the next few weeks, plaintiffs in Individual WorldCom Actions will have to make several important decisions that may irrevocably impact their rights to recover for any losses they sustained through the purchase or sale of WorldCom securities during the class period. This Notice is designed to give you information that will be of assistance to you as you make these critical decisions.

The Notice is divided into five sections. The first section provides some information about the WorldCom Securities Class Action that is relevant to this Notice. The second section provides some information about the Individual WorldCom Actions that is relevant to this Notice. The third section describes the November 17 Order. The fourth section describes the November 21 Order. The fifth and final section lists and briefly discusses twelve important facts that you should carefully consider in making your decision as to whether to (a) participate in the WorldCom Securities Class Action if you are a member of the certified Class, or (b) elect to be excluded from the WorldCom Securities Class Action if you are a member of the certified Class and continue to pursue your own Individual WorldCom Action.

All of the Court orders and opinions that have been issued in the course of the WorldCom Securities Class Action and in connection with the Individual WorldCom Actions that are assigned to the Court may be found at www.worldcomlitigation.com.

The WorldCom Securities Class Action

The WorldCom Securities Class Action is a class action lawsuit pending before the United States District Court for the Southern District of New York. A description of the history and status of the WorldCom Securities Class Action is included in the separate Class Notice. A copy of the Class Notice is enclosed with this Notice and you should also review it carefully. The following paragraphs provide a brief review of the background of the WorldCom Securities Class Action as it is relevant to this Court-ordered Individual Action Notice.

The New York State Common Retirement Fund (“NYSCRF”) is the Court-appointed Lead Plaintiff in the WorldCom Securities Class Action. The NYSCRF has over \$100 billion in total assets and is the second largest public pension fund in the United States. The NYSCRF is alleged to have suffered over \$300 million in losses from its purchases of WorldCom stock and bonds during the period from April 29, 1999 through June 25, 2002 (the “Class Period”).

The Class Action Complaint filed by Lead Plaintiff (the “Complaint”) on October 11, 2002, asserts claims arising under Sections 10(b) and/or 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) on behalf of persons who purchased WorldCom securities (i.e., stock and bonds) during the Class Period against: (i) certain former directors of WorldCom (the “Director Defendants”); (ii) Arthur Andersen LLP, WorldCom’s former auditor (“Andersen”); (iii) Bernard J. Ebbers (“Ebbers”), WorldCom’s former Chief Executive Officer, and Scott D. Sullivan (“Sullivan”), WorldCom’s former Chief Financial Officer, as well as certain other WorldCom employees; and (iv) Salomon Smith Barney, Inc. now known as Citigroup Global Markets, Inc. (“Salomon”), Jack B. Grubman, and Citigroup Inc. (collectively, the “Salomon Defendants”). The Exchange Act claims allege that these defendants disseminated materially false and misleading information in, and omitted material information from, analyst reports, press releases, and filings with the SEC, including in registration statements issued in connection with the \$5 billion bond offering conducted in May 2000 (the “May 2000 Offering”), and the \$11.8 billion bond offering conducted in May 2001 (the “May 2001 Offering”).

The Complaint also asserts claims arising under Sections 11 and 12(a)(2) of the Securities Act of 1933 (“Securities Act”) against the entities that Plaintiffs contend are the investment banks that acted as underwriters (the “Underwriter Defendants”) for one or both of the May 2000 and May 2001 Offerings. The Securities Act claims arise from alleged misstatements and omissions of material facts in the registration statements and prospectuses issued in connection with WorldCom’s May 2000 and May 2001 Offerings, and are asserted on behalf of all persons who purchased bonds issued in connection with the May 2000 and May 2001 Offerings. The Complaint also asserts claims arising under the Securities Act against certain of the Director Defendants (those who signed the registration statements issued in connection with the May 2000 and May 2001 Offerings), Andersen, Ebbers and Sullivan.

The NYSCRF did not purchase any bonds issued in the May 2000 or May 2001 Offerings. The Complaint in the WorldCom Securities Class Action, however, includes as Named Plaintiffs, the Fresno County Employees Retirement Association, the County of Fresno, California and HGK Asset Management, Inc. (“HGK”), who are alleged to have purchased (or in the case of HGK, its clients are alleged to have purchased) over \$140 million of bonds in these two Offerings, and to have lost close to \$33 million.

In December 2002, certain of the defendants filed motions to dismiss some of the claims asserted by Lead Plaintiff in the Complaint. The Underwriter Defendants argued, among other things, that Lead Plaintiff could not assert claims on behalf of persons who purchased bonds issued in connection with the May 2000 and May 2001 Offerings because Lead Plaintiff did not purchase those bonds. In an Opinion dated May 19, 2003, the Court largely denied the defendants’ motions to dismiss. In its decision, the Court specifically rejected the Underwriter Defendants’ argument that Lead Plaintiff could not assert the Securities Act claims in the Complaint, holding that such an argument was contrary to Federal Rule of Civil Procedure 23 and the Private Securities Litigation Reform Act. See In re WorldCom, Inc. Sec. Litig., No. 02 Civ. 3288 (DLC), 2003 WL 21219049, at *27 (S.D.N.Y. May 19, 2003). The Court held that Lead Plaintiff could

properly assert claims on behalf of both stock and bond purchasers. In a subsequent decision issued on June 24, 2003, the Court denied the motion to dismiss filed by Andersen.

By Order of November 5, 2003, effective as of May 28, 2003, the defendants are deemed to have filed an answer in each Individual WorldCom Action as of the date the Individual WorldCom Action arrives on the Court's docket.

On October 24, 2003, the Court granted Lead Plaintiff's motion to certify this action as a class action pursuant to Federal Rule of Civil Procedure 23(b)(3). The Class includes all purchasers of WorldCom's publicly traded securities (except defendants and their affiliates) during the period beginning April 29, 1999 through and including June 25, 2002, and who were injured thereby. The Court determined that the class action was "the superior method for the fair and efficient adjudication of this lawsuit." In re WorldCom, Inc. Sec. Litig., No. 02 Civ. 3288 (DLC), 2003 WL 22420467, at *32 (S.D.N.Y. Oct. 24, 2003).

On November 12, the Underwriter Defendants and Salomon Defendants filed petitions for permission to appeal the Order certifying a class to the United States Court of Appeals for the Second Circuit. The Lead Plaintiff is opposing the petitions. The petitions are pending before the Court of Appeals.

The parties in the WorldCom Securities Class Action are in the midst of intensive discovery. The Court has entered a schedule that provides for fact discovery to end in mid-June 2004, and for trial of the class action to begin on January 10, 2005. The Individual WorldCom Actions assigned to the Court are participating in discovery with the WorldCom Securities Class Action, but there is no trial date set for any Individual WorldCom Action. At the close of pre-trial proceedings, if the Individual WorldCom Actions have not been remanded to state court (where applicable) or dismissed in their entirety, then they will be returned for trial to the federal district courts from which they were transferred to the Court by the Judicial Panel on Multidistrict Litigation.

In the fall of 2002, the Court ordered the parties to the WorldCom Securities Class Action and the Individual WorldCom Actions to participate in settlement discussions under the supervision of the Honorable Michael H. Dolinger, United States Magistrate Judge. In the fall of 2003, the Court invited the Honorable Robert W. Sweet, United States District Court Judge, to assist in oversight of the settlement discussions. Those discussions are continuing.

The Individual WorldCom Actions

Beginning on July 5, 2002, Individual WorldCom Actions began to be filed across the country, frequently in state courts. Many of these actions have been filed by public or private pension funds. In addition, more than a score of "joinder actions," that is actions filed by groups of individuals, were filed in state court in Mississippi.

Beginning in August 2002, certain defendants removed the Individual WorldCom Actions filed in state court to federal court, and the Judicial Panel on Multidistrict Litigation has since transferred virtually all of them to the Southern District of New York. Approximately a half dozen of these actions were remanded to state court. On December 23, 2002, the Court found that the Class and Individual Actions transferred to this District involved common issues of fact and consolidated the Individual WorldCom Actions with the WorldCom Securities Class Action for pre-trial purposes, including discovery.

Plaintiffs in many, if not all, of the Individual WorldCom Actions that were originally filed in state court contested the removal of their actions to federal court. They argued that the federal courts did not have jurisdiction over their actions, and filed motions to remand their actions to state court. On March 3, 2003, the Court denied the first of the remand motions presented to it, holding that those Individual WorldCom Actions were subject to federal jurisdiction because they were related to the WorldCom bankruptcy. In re WorldCom, Inc. Sec. Litig., 293 B.R. 308, 328 (S.D.N.Y. 2003). As the March 3 Opinion discusses, federal law provides federal jurisdiction over specified bankruptcy-related claims. The Court has issued similar rulings denying several subsequently filed motions to remand brought by plaintiffs in other Individual WorldCom Actions.

Plaintiffs in certain Milberg Weiss Actions petitioned the Second Circuit Court of Appeals in August 2003, for writs of mandamus vacating the Court's denial of their remand motion, as well as a separate order pertaining to the conduct of pre-trial proceedings. The Court of Appeals denied those petitions on October 31, 2003. Plaintiffs in those same Milberg Weiss Actions have now moved the Court for an order certifying their remand motion for direct appeal to the Court of Appeals. The defendants in those actions have opposed the motion for certification. The motion for certification is currently pending before the Court.

The November 17 Order: Milberg Weiss's Representations to its Clients

As of October 3, 2003, Milberg Weiss had filed at least 47 Individual WorldCom Actions in 18 different states on behalf of over 120 pension funds. The Milberg Weiss Actions solely allege claims arising under the Securities Act, and seek only to recover for losses incurred as a result of purchases of bonds issued by WorldCom on four occasions: the May 2000 and May 2001 Offerings, both of which are part of the WorldCom Securities Class Action; an August 1998 Bond Offering (the "1998 Offering"); and a private placement of WorldCom debt securities conducted in December 2000 (the "December 2000 Private Placement"). Securities Act claims based on the 1998 and December 2000 bonds are not a part of the WorldCom Securities Class Action.

The actions brought by Milberg Weiss do not seek to recover for losses incurred as a result of purchases of WorldCom stock, or for losses suffered from purchases of WorldCom bonds in the secondary market under a securities fraud theory. The actions brought by Milberg Weiss do not include Exchange Act claims; the inclusion of such claims would have allowed the Milberg Weiss Actions to be removed by the defendants to federal court. The Securities Act provides that state and federal courts have concurrent jurisdiction over Securities Act claims, whereas the Exchange Act provides for exclusive jurisdiction in the federal courts.

On October 29, 2003, the Court was provided with evidence suggesting that Milberg Weiss was soliciting class members with misleading statements about the WorldCom Securities Class Action. After giving Milberg Weiss an opportunity to respond, the Court determined, among other things, that:

- It did not appear that Milberg Weiss had presented class members with a forthright description of the advantages and disadvantages of both the individual action and class action options;
- Class members who filed Individual WorldCom Actions through Milberg Weiss may not have been informed adequately of the impediments to bringing claims based on the 1998 Offering and the December 2000 Private Placement.
- Class members who filed Individual WorldCom Actions through Milberg Weiss may not have been informed adequately of the statute of limitations bars that might affect their claims.
- Class members who filed Individual WorldCom Actions through Milberg Weiss relating to their investments in WorldCom bonds, but who also suffered losses from investing in WorldCom stock, may not have been advised adequately of the risk that they may lose any opportunity to share in any recovery for their stock losses.

Milberg Weiss has agreed that it is appropriate that a notice be sent to each of the plaintiffs who filed an Individual WorldCom Action to ensure that each such plaintiff is adequately advised about these and other issues. The Opinion containing the findings of the Court is reported at In re WorldCom, Inc. Sec. Litig., No. 02 Civ. 3288 (DLC), 2003 WL 22701241 (S.D.N.Y. Nov. 17, 2003).

The November 21 Order: The 1998 Offering, The December 2000 Private Placement, and the Statute of Limitations

It is important that plaintiffs in every Individual WorldCom Action also be aware of the Court's Order of November 21 ("November 21 Order"), and that they consult promptly with counsel about its ramifications for their own action. The November 21 Order describes the statute of limitations law that will apply to certain claims in Individual WorldCom Actions. It also dismissed the claims relating to the 1998 Offering and December 2000 Private Placement that were pleaded in one of the Milberg Weiss Actions.

The November 21 Order addressed the first motion to dismiss claims in an Individual WorldCom Action. On September 22, 2003, the Court had set a schedule for the filing of motions that the defendants wished to bring to dismiss certain claims that are common to many of the Individual WorldCom Actions. The first such motion to dismiss was brought against one of the Milberg Weiss Actions, an action filed on April 21, 2003, on behalf of the State of Alaska Department of Revenue, a state agency that collects and invests public funds, and the Alaska State Pension Investment Board, a state entity that manages and invests state pension funds ("Alaska Plaintiffs") ("MW Alaska Action"). The defendants moved to dismiss the Securities Act claims in the MW Alaska Action. The November 21 Order granted the motions in part.

The November 21 Order dismissed with prejudice the Securities Act claim based on the 1998 Offering. It found that the statute of limitations provision of the Securities Act contained in Section 13 of that Act would provide the statute of limitations for the Securities Act claims in the MW Alaska Action. As a result, the lawsuit had to be brought by the earlier of (1) three years from the date of the initial registration statement in the case of the Securities Act Section 11 claim, or (2) one year from the date on which the Alaska Plaintiffs were put on actual or constructive notice of the facts underlying their claims.

The November 21 Order rejected the Alaska Plaintiffs' argument that the longer statute of limitations period in the recently-enacted Sarbanes-Oxley Act of 2002 applied to their claims. It also rejected the Alaska Plaintiffs' argument that the existence of the WorldCom Class Action tolled the statute of limitations for Individual WorldCom Actions during the period before the class was certified. As a consequence, their claim based on the 1998 Offering had to be brought no later than August 2001, or three years after the date of the registration statement for that Offering.

The November 21 Order also included the following statement: "There can be no doubt that at least as of WorldCom's announcement on June 25, 2002 – that it would have to restate its publicly reported financial results for 2001 and the first quarter of 2002 by \$3.8 billion – plaintiffs were on inquiry notice of their Sections 11 and 12(a)(2) claims." As a result of that finding, the November 21 Order held that the Alaska Plaintiffs' one year notice period began no later than June 25, 2002, and that their addition of defendants, through an amendment they made in September 2003, or more than one year after June 25, 2002, was untimely. The Alaska Plaintiffs had not demonstrated that their failure to name these defendants in their initial complaint was a mistake. The November 21 Order also explained that there is "no authority" that would support the refiling of claims, for instance after the certification of a class action, where those claims have been dismissed on the ground that they were barred by the statute of limitations.

The November 21 Order also granted the motion to dismiss the claim brought under Securities Act Section 12(a)(2) based on the December 2000 Private Placement. The Alaska Plaintiffs had admitted that the bonds issued at that time were exempt from SEC registration requirements and did not identify any exception other than the exception for private placements that would have allowed the defendants to sell the bonds without filing a registration statement. The complaint filed by the Alaska Plaintiffs even identified the bonds as bonds sold through a private placement. Since Section 12(a)(2) does not provide a cause of action for private placements, the claim was dismissed with prejudice.

The November 21 Order can be located at In re WorldCom, Inc. Sec. Litig., No. 02 Civ. 3288 (DLC), 2003 WL 22738546 (S.D.N.Y. Nov. 21, 2003), and at www.worldcomlitigation.com. It should be studied in its entirety since the description given above is just a summary of some of the points it makes.

You should also be aware that a second motion to dismiss claims common to many Individual WorldCom Actions has also been made by the defendants. This second motion addresses preemption issues under the Securities Litigation Uniform Standards Act of 1998 ("SLUSA") and issues specific to certain alleged holding companies that have been named as defendants. That second motion is currently pending before the Court and has not yet been decided. The defendants contend in this second motion that certain claims should be dismissed because: (1) SLUSA precludes the state law claims asserted in certain Individual WorldCom Actions; and (2) the complaint fails to allege a claim against certain of the alleged holding companies for certain of the alleged underwriters. The defendants intend to file additional motions to dismiss claims in Individual WorldCom Actions.

Important Facts

Regarding The WorldCom Securities Class Action And Individual WorldCom Actions

In light of the events described above, the Court has determined that every Class member who has filed an Individual WorldCom Action should be given this Notice in addition to the Class Notice that is being provided to every member of the Class. This Notice contains important information about the consequences of the choice to pursue an Individual WorldCom Action or to remain in the WorldCom Securities Class Action. If you made a decision to pursue an Individual WorldCom Action based in whole or in part on incomplete information, you may wish to reevaluate that decision in light of the information in this Notice and the Class Notice.

You should read and consider carefully all of the following Items 1 through 12. You are advised to consult with counsel regarding your legal options.

1. There Is No Need To File An Individual Action To Participate In Any Recovery That May Be Obtained In The WorldCom Securities Class Action.

You may have been advised that you need to act quickly to file an Individual WorldCom Action if you wish to share in a recovery, if any, for losses you suffered from purchases of bonds in the May 2000 and May 2001 Offerings. This is not correct.

The WorldCom Securities Class Action includes claims that seek recovery for those who purchased bonds in the May 2000 and May 2001 Offerings. Within the WorldCom Securities Class Action, the interests of persons who purchased bonds in connection with the May 2000 and May 2001 Offerings are represented by the Lead Plaintiff and the Named Plaintiffs who are alleged to have purchased bonds in these Offerings and who have been appointed by the Court as class representatives. Without doing anything, each person who (a) purchased bonds issued in connection with the May 2000 and May 2001 Offerings; (b) purchased WorldCom stock during the Class Period; or (c) purchased publicly traded WorldCom bonds in the secondary market during the Class Period (regardless of when those bonds were first issued), and who was injured thereby, is a member of the Class certified in the WorldCom Securities Class Action and has the right to share in any settlement or other recovery obtained on behalf of the Class for claims brought on their behalf.

2. The WorldCom Securities Class Action Should Not Result In The Dilution Of The Recovery, If Any, Which Bondholders May Receive.

Milberg Weiss has advised some pension funds that “any recovery in the class action will almost certainly favor the common stockholders and disfavor the bondholders with Securities Act Claims,” and that reliance on the class action will result “in a severe dilution of the recovery to which purchasers of the bonds are entitled.” See November 17 Order, In re WorldCom, Inc. Sec. Litig., 2003 WL 22701241, at *5.

The WorldCom Securities Class Action should not result in the dilution of the recovery, if any, which bondholders may receive. If there is any reason to believe that the allocation of any settlement or recovery between stockholders and bondholders in the WorldCom Securities Class Action is not fair, then any member of the Class will have an opportunity to object and to have its objections heard by the Court at a hearing. Any proposed allocation will not be approved unless the Court determines that the allocation is fair, reasonable and adequate. No distribution can be made to Class members – either bondholders or stockholders – without the supervision and approval of the Court.

3. The District Court Has Dismissed With Prejudice Securities Act Claims Based On The 1998 Offering And The December 2000 Private Placement.

If you have been informed that you should file an Individual WorldCom Action because the WorldCom Securities Class Action does not assert claims in connection with two other WorldCom debt issuances – namely, the 1998 Offering and the December 2000 Private Placement – then you should read the November 17 and November 21 Orders carefully. As described above, claims brought in one Milberg Weiss Action based on the 1998 Offering and the December 2000 Private Placement have already been dismissed with prejudice.

4. Individual WorldCom Actions Filed After June 25, 2003 May Soon Be Dismissed With Prejudice.

In reliance on the November 21 Order, defendants have moved to dismiss with prejudice certain Individual WorldCom Actions that plead only Securities Act claims and that were filed after June 25, 2003, on the ground that they are barred by the one year statute of limitations provision in Section 13 of the Securities Act. The plaintiffs’ opposition to that motion is due December 23. The motion will be fully submitted and ready for a decision by the Court on January 9, 2004. If the motion to dismiss is granted, the defendants contend that those Individual WorldCom Actions must be dismissed with prejudice and that the plaintiffs in those actions can not recover for any of their losses covered by the claims made in their Individual WorldCom Actions, either through an Individual WorldCom Action or as a Class member.

The Lead Plaintiff in the WorldCom Securities Class Action takes the position that if a plaintiff requests a dismissal of their Individual WorldCom Action, the Court can exercise its discretion to condition the dismissal on an agreement that the dismissal is with prejudice to the refile of the Individual WorldCom Action, but without prejudice to the plaintiff participating as a Class member in the WorldCom Securities Class Action. The defendants have indicated that they will oppose any such conditional or voluntary dismissal. The defendants contend that any dismissal must be with prejudice and thereby prevent any future recovery for such dismissed claims. The defendants also contend that, even if an Individual WorldCom Action were dismissed without prejudice, plaintiffs will not be able to recover because the equitable tolling doctrine would not apply to those plaintiffs and the claims would therefore be time barred. No motion has been made by any Individual WorldCom Plaintiff whose claims may be subject to dismissal or by any other party before the Court and, as a result, the Court has made no determination in this regard.

5. Plaintiffs In Individual WorldCom Actions Filed After May 12, 2003 Risk Losing The Right To Recover For Any Losses Based On The May 2000 Offering.

In reliance on the November 21 Order, the defendants have moved to dismiss those Securities Act claims based on the May 2000 Offering that are pleaded in certain Individual WorldCom Actions filed after May 12, 2003, on the ground that such claims are barred by the three year statute of limitations in Section 13 of the Securities Act. If such motions are granted, the dismissals will be with prejudice.

6. Plaintiffs Who Have Amended Their Actions After June 25, 2003, To Assert Securities Act Claims Against Defendants Who Were Not Named In Their Original Complaint, May Have The Claims Against The Additional Defendants Dismissed As Time-Barred.

In reliance on the November 21 Order, defendants have moved to dismiss amended complaints in certain Individual WorldCom Actions, where the complaints were amended after June 25, 2003 in order to add defendants to one or more Securities Act claims. If such motions are granted, the dismissals will be with prejudice.

7. Plaintiffs In Certain Individual WorldCom Actions Risk Losing Any Chance To Recover For Stock Losses.

In addition to the Securities Act claims relating to the May 2000 and May 2001 WorldCom Offerings, the WorldCom Securities Class Action asserts Exchange Act claims against certain defendants for false and misleading statements and omissions in connection with the purchase and sale of WorldCom stock. These Exchange Act claims are not asserted in any Milberg Weiss Action.

If you choose to pursue an Individual WorldCom Action that brings claims solely for your losses from purchases of WorldCom bonds, there is a significant likelihood that you will lose all opportunity to recover for any losses that you may have suffered from buying or selling WorldCom stock during the Class Period. Any class member who chooses to opt out of the Class in order to pursue, for example, bond claims asserted in an Individual WorldCom Action, will not be able to participate in the WorldCom Securities Class Action at all.

8. Plaintiffs In Certain Individual WorldCom Actions Risk Losing Any Chance To Recover For Exchange Act Damages, If Any, For Purchases Of WorldCom Bonds.

The fraud-based Exchange Act claims asserted in the Complaint and Amended Complaint in the WorldCom Securities Class Action pertain not only to purchases and sales of WorldCom stock during the Class Period, but also to purchases and sales of WorldCom bonds during the Class Period regardless of when those bonds were first issued by WorldCom. Further, the WorldCom Securities Class Action Amended Complaint asserts Exchange Act claims against the Salomon Defendants in connection with the May 2000 and May 2001 Offerings.

Unlike the WorldCom Securities Class Action, many Individual WorldCom Actions do not assert an Exchange Act claim in connection with the May 2000 and May 2001 Offerings or secondary market bond purchases. If an Individual WorldCom Action does not plead Exchange Act claims, it risks foregoing any recovery that might be obtained for Exchange Act damages relating to WorldCom's bonds.

9. Obligations Of Lead And Named Plaintiffs

The Lead Plaintiff and Lead Counsel are obligated to represent the interests and seek a recovery on behalf of all Class members, including those who purchased WorldCom bonds. Lead Plaintiff has been vigorously prosecuting the claims of all Class members since its appointment as Lead Plaintiff.

Moreover, as set forth above, the WorldCom Securities Class Action includes three Named Plaintiffs who purchased bonds and who are involved in the litigation for the specific purpose of representing the interests of every class member who purchased bonds issued in the May 2000 or May 2001 Offerings. If there is a settlement or Judgment, all Class members will have the right to object to any flaws that they perceive in the allocation of any recovery at the conclusion of this litigation, and any proposed allocation must be reviewed and approved by the Court as being fair, adequate and reasonable.

The Underwriter Defendants and the Salomon Defendants take the position that Lead Plaintiff and the Named Plaintiffs cannot adequately represent bondholders and have filed petitions with the United States Court of Appeals for the Second Circuit seeking permission to appeal the Court's class certification Order.

10. If You Pursue An Individual WorldCom Action You Will Have Burdens That You Would Not Have As A Class Member.

The defendants have recently served plaintiffs in certain of the Individual WorldCom Actions with interrogatories and document requests, and may serve additional written discovery requests such as requests for admissions. This written discovery may require you to expend significant time and effort. In addition, defendants are likely to take depositions of each plaintiff and others in each Individual WorldCom Action. In contrast, if you remain in the WorldCom Securities Class Action as a Class member, if you are subject to discovery at all, it is unlikely that the discovery would be burdensome.

11. You May Pay More In Attorneys' Fees If You Pursue An Individual WorldCom Action.

Co-Lead Counsel are prosecuting the WorldCom Securities Class Action under a retainer agreement. The Class Notice that accompanies this Notice provides a brief description of that retainer agreement and explains how you can get a copy of it. You may pay more in attorneys' fees if you pursue an Individual WorldCom Action than as a member of the Class.

Before there is an award of attorneys' fees to class counsel in the WorldCom Securities Class Action, there will be a hearing on the fairness and reasonableness of any fee and expense award and there will be an opportunity for objections to be heard. No award will be made without a careful review by the Court.

12. Your Attorney May Have A Conflict Of Interest In Representing You.


If you have filed an Individual WorldCom Action that risks being partially or completely dismissed on statute of limitations grounds, then you and the attorney who filed the action for you may have a conflict of interest. In these circumstances, you should consider whether it is in your interest to consult with separate counsel about your next steps in this litigation.

If the law firm that is representing you in your Individual WorldCom Action is also representing other plaintiffs in other Individual WorldCom Actions, and if the plaintiffs in those other actions have interests that are adverse to your interests, then you and your attorney may also have a conflict of interest. In these circumstances, you should consider whether it is in your interest to consult with separate counsel about your next steps in this litigation.

If you have any questions, you should consult with an attorney, whether it be the attorney who filed an Individual WorldCom action on your behalf, or any other attorney of your choice. PLEASE DO NOT CONTACT THE COURT OR ITS STAFF WITH ANY QUESTIONS.

Dated: New York, New York
December 11, 2003

By Order of the United States District Court
For the Southern District of New York



DENISE COTE
UNITED STATES DISTRICT JUDGE