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March 8, 2004

***Via Hand Delivery***

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: Defendants' Over-Designation of Documents as "Confidential"]*

Dear Judge Cote:

On behalf of Lead Plaintiff New York State Common Retirement Fund and Co-Lead Counsel Barrack, Rodos & Bacine, we write in response to Mr. Kolleeny's February 27, 2004 letter to Your Honor (the "February 27letter") concerning the Underwriter-related Defendants' confidentiality designations of documents in this litigation. We understand this matter will be addressed at tomorrow's conference.

The parties entered into a Stipulation and Agreed Confidentiality Order, which the Court ordered on October 24, 2003. (A copy of the order is attached as Exhibit A to the February 27 letter.) The Confidentiality Order provides the guidelines by which the parties are to designate their productions as "confidential" and "highly confidential." It provides that where a document contains either "(1) trade secret or other confidential research, development or commercial information; or (2) confidential, non-public personal information concerning individuals," that document may be designated as "confidential." See Confidentiality Order at ¶ 3. It provides that where a document contains "account information, customer information, trading data or proprietary credit formulations," that document may be designated as "highly confidential." Id.

A party's designation of documents (and transcripts or other discovery materials) as "confidential" or "highly confidential" – if upheld by the Court – will require that such documents or other discovery materials be filed under seal in any subsequent court filing. However, as this Court and others in this District have noted, filing materials under seal "is the exception to the rule favoring public filing" – especially in a case such as this in which the investing public generally, and Class members specifically, have expressed a sustained interest in the litigation. In re WorldCom, Inc. Securities Litigation, 2003 WL

22287350, at *2 (S.D.N.Y. Oct. 6, 2003); see also Encyclopedia Brown Productions, Ltd. v. Home Box Office, Inc., 26 F. Supp.2d 606, 611-13 (S.D.N.Y. 1998) (decision whether to seal court records requires weighing the importance of the presumption of public access against the interests sought to be protected by sealing; the party seeking to preclude disclosure of trade secrets "has the burden to show that the information in fact constitutes a trade secret, that disclosure would harm movant's competitive position and that the asserted harm outweighs the presumption of public access"); Turick v. Yamaha Motor Corp., 121 F.R.D. 32, 35 (S.D.N.Y. 1998) (a movant must prove that disclosure would work a clearly defined and very serious injury).

Lead Plaintiff believes that the documents produced by the Underwriter Defendants and others, including the "representative examples" outlined in the February 27 letter, do not fall within either the "confidential" or "highly confidential" categories and further do not meet the very stringent standards in this District for requiring the filing of such materials under seal. For example:

Plaintiffs' Exhibit 15 (Tab 1 to Kolleeny Declaration) is a presentation J.P. Morgan prepared four years ago for WorldCom, which discusses the business prospects for WorldCom and the reasons WorldCom should choose J.P. Morgan to co-lead the May 2000 Offering. In the presentation, J.P. Morgan boasted that it should be selected because its analyst "would position WCOM as the best telecom credit globally" and "would also address investor concerns head on" (JPM 008845, JPM 008848). The document contains no protected customer information and clearly does not qualify as a trade secret, confidential research, trading data or proprietary credit formulations. Like the other documents at issues in this litigation, the presentation further contains no current information of any competitive value.

Plaintiffs' Exhibit 17 (Tab 2) again relates only to WorldCom and, as the Underwriter Defendants admit, is merely "a draft list of questions concerning WorldCom's business performance, strategy and plans." Similarly, Plaintiffs' Exhibit 24 (Tab 6) lists "Potential Investor Questions & Responses." (JPM 032603). Neither document reflects any secret or sensitive information that would reveal anything confidential about J.P. Morgan or any other Underwriter-related Defendant, and to the extent it possibly could, such information is clearly stale.

Plaintiffs' Exhibit 19 (Tab 3) reviews a list of investor questions that J.P. Morgan compiled for an investor meeting. The document states, among other things, that "WCOM arguably suffers from a relative lack of disclosure on a business line basis versus its peers" and "WCOM definitely provides the least disclosure among its peers" (JPM 008539). Such observations do not reveal any confidential information about J.P. Morgan or any other Underwriter-related Defendant, and further does not reflect any trade secret of confidential commercial information protectable under Rule 26(c)(7).

Plaintiffs' Exhibits 23 (Tab 5) and 57 (Tab 24) are J.P. Morgan research memoranda regarding WorldCom, which contain largely public data. Nothing in either document discloses any protected business information -- that they were labeled "For Internal Use Only," does not change that.

Plaintiffs' Exhibit 53 (Tab 21) is a "memorandum for the files" prepared by the underwriters' counsel, Cravath, Swaine & Moore, that "summarizes the due diligence review conducted on WorldCom, Inc." concerning the May 2001 Offering. This document merely constitutes a factual recitation of the due diligence conducted by outside counsel and contains no protected trade information.

Plaintiffs' Exhibit 27 (Tab 9) is a "proposed script" to invite other potential underwriters to participate in a proposed WorldCom bond offering. This is a form document that was meant to be sent to numerous other potential underwriters -- which hardly constitutes any sort of protected business information or trade secret. Indeed, the document is full of blanks rather than actual information concerning the offering.

Plaintiffs' Exhibit 55 (Tab 22) is a Deutsche Bank portfolio credit review of WorldCom. The fact that three years ago the corporate lending bank of one of the key underwriters of the May 2001 bond offering made the decision to downgrade its internal credit rating on WCOM, and seek a cap on its own level of exposure to WorldCom because of concerns it had regarding WCOM's financial condition does not reflect any trade secret or confidential commercial information protectable under Rule 26(c)(7).

Plaintiffs' Exhibit 64 (Tab 27) is a J.P. Morgan document discussing how the "WorldCom comfort letters for 144A transactions do not meet our standards." Again, the fact that more than three years ago a member of the J.P. Morgan transaction execution division made such comments does not implicate any proprietary information or compromise any trade secret.

The Underwriter Defendants appear to be arguing that they have a business interest in marking these documents, as well as others produced in this litigation, as "confidential" and/or "highly confidential." To the extent that they are arguing that their business methods should remain secretive and should not be disclosed to their competition, their argument misses the mark. The documents described above simply do not contain trade secrets or other confidential commercial information. These are not, for example, copies of due diligence manuals that defendants currently use, documents describing defendants' current marketing efforts, or documents that would compromise any current competitive positions from which one Underwriter Defendant may seek to benefit vis-à-vis its current competitors.

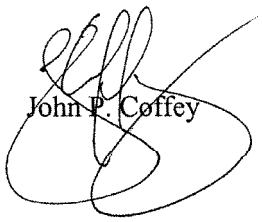
Further, any argument put forth regarding allegedly sensitive WorldCom information is misplaced because, since the disclosure of the massive fraud and

WorldCom's bankruptcy reorganization, it has become a transformed company (MCI, Inc.), and disclosure of information about WorldCom's business pre-dating the disclosure of the fraud and its bankruptcy filing will have no meaningful impact upon MIC's ongoing operations.

Finally, to the extent that any of the documents produced by the Underwriter Defendants contain information that constitutes an individual's account information, customer information, trading data or proprietary credit formulations, that information can be redacted in a way that is consistent with the Court's guidance at the December 18, 2003 hearing and the Court's December 23, 2003 Order.

Thank you for your consideration of the foregoing. We look forward discussing the matter further at tomorrow's hearing.

Sincerely,



John P. Coffey

cc (via fax):
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