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October 12, 2004

By Hand

The Honorable Denise 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)

Dear Judge Cote:

On behalf of Lead Plaintiff New York State Common Retirement Fund and Co-Lead Counsel Barrack Rodos & Bacine, we write to address a number of matters associated with the pending summary judgment motions.

First, Lead Plaintiff objects to the motion of the Securities Industries Association (“SIA”) and the Bond Market Association (“TBMA”) to file an *amicus* brief in support of the Underwriter Defendants’ motion for summary judgment. The principal basis offered as to why the Court should consider the SIA/TBMA brief – to “provide an additional perspective not otherwise available to the Court” (Wise Decl. ¶6 (citation omitted)) – does not withstand scrutiny; virtually every Underwriter Defendant is a member of both SIA and TBMA, and if there is an instance in which those organizations offered a “perspective” distinguishable from those of the major Underwriter Defendants on a matter of note in the past ten years we have been unable to find it. Similarly, the notion that the Court needs yet another brief to ensure “complete and plenary presentation” of the issues, (*id.*), is specious, particularly when the Underwriter Defendants have submitted a sixty-five page reply augmented by two “exhibits” comprising some forty additional single-spaced pages of argument. In any event, should the Court grant the SIA/TBMA motion, we believe that the pervasive references in their brief to evaluating due diligence against a “reasonable” and “flexible” standard that considers the circumstances of each particular offering only underscores that there are myriad factual determinations about the WorldCom Offerings which must be made by a jury.

Further, there is a passage in the Underwriter Defendants’ reply brief that so clearly reveals the mind-set of those who were charged with conducting the due diligence of WorldCom’s Offerings that it renders their trade associations’ arguments utterly beside



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the point. In seeking to explain that it was a good thing that the top Underwriter Defendants kept their documented private conclusions about WorldCom's weakening financial circumstances hidden from investors, Defendants make the following remarkable statement:

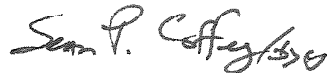
Plaintiffs' proposed disclosure rule [regarding the internal downgrades] would create the very conflict of interest they now decry because underwriters would obviously have strong incentives, if they knew their ratings would have to be disclosed, to favorably rate the issuer, which only serves to mislead, not inform, investors.

Reply Br. at 53 (emphasis added). This glimpse into how these Defendants view their obligations of candor while serving as the interface between an issuer and the investing public speaks volumes.

Second, the Underwriter Defendants assert in their summary judgment papers that the Court must ignore the expert reports submitted by Lead Plaintiff because they are not sworn. While we disagree that such an approach should be adopted (and we did not object to the Court's consideration of the unsworn expert reports submitted by Andersen), in order to move beyond this issue we are today filing declarations from three of Lead Plaintiff experts whose reports were submitted to the Court. (We previously filed a declaration of our fourth expert, Harris Devor, attesting to his reports.) Courtesy copies are provided with this letter as Exhibits 1-3 of the enclosed declaration.

Third, we are also filing an errata version of the report of John R. Bise, which corrects two typographical errors in his report. (A courtesy copy is provided as Exhibit 4 of the enclosed declaration.) Mr. Bise's report was submitted as Exhibit 4 to the Declaration of Beata Gocyk Farber supporting Lead Plaintiff's Opposition to the Underwriter Defendants' Motion for Summary Judgment, dated September 17, 2004. As noted in Mr. Bise's enclosed declaration, these typographical errors have no impact on his opinions or conclusions.

Respectfully submitted,



John P. Coffey

Enclosure

cc: (by fax, w/ enclosure)
Robert F. Wise, Esq. (Counsel for SIA and TBMA)
George R. Kramer, Esq. (Counsel for SIA and TBMA)

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