

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE WORLDCOM, INC. SECURITIES : MASTER FILE
LITIGATION : 02 Civ. 3288 (DLC)
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This Document Relates to: :
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ALL ACTIONS :
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**ORDER APPROVING LEAD PLAINTIFF’S PLANS OF ALLOCATION WITH
RESPECT TO SETTLEMENTS WITH THE DIRECTOR DEFENDANTS, ARTHUR
ANDERSEN LLP, BERNARD EBBERS AND SCOTT SULLIVAN**

DENISE COTE, District Judge

On this ___ day of _____, 2005, a hearing having been held before this Court to consider: (1) Lead Plaintiff’s Plans of Allocation (the “Plans”) for distribution of the Net Settlement Fund to be established as a result of the Settlements between and among Lead Plaintiff and the Named Plaintiffs, on behalf of the Class, and the Director Defendants, Arthur Andersen LLP (“Andersen”), Bernard Ebbers (“Ebbers”) and Scott Sullivan (“Sullivan”) in this Litigation; and (2) the fairness and reasonableness of the Plans to the Class Members;

And it appearing that a notice of the hearing, and a description of the Plans, substantially in the form approved by the Court was mailed to all persons and entities reasonably identifiable, who purchased or otherwise acquired publicly traded securities of WorldCom, Inc., including WorldCom stock and publicly traded bonds, during the Class Period, except those persons and entities excluded from the definition of the Class, as shown by the records of WorldCom and as further identified through the mailing of the Notice of Class Action dated December 11, 2003, and the Summary Notice of Class Action, and through the mailing of the Notice of Proposed

Settlement dated August 2, 2004, and the Summary Notice of Proposed Settlement, pursuant to earlier orders of the Court, at the respective addresses set forth in such records;

And it appearing that a summary notice of the hearing substantially in the form approved by the Court was published in *The Wall Street Journal*, *The New York Times* and over the *PR Newswire* as well as the *Bloomberg News* pursuant to the specifications of the Court, and that a further summary notice of the Plans as relating to the settlements with Ebbers and Sullivan in the form approved by the Court was also published in *The Wall Street Journal*, *The New York Times* and over the *PR Newswire* as well as the *Bloomberg News* pursuant to the specifications of the Court;

And the Court, having considered all matters submitted to it at the hearing and otherwise having determined the fairness and reasonableness of the Plans;

And, it appearing that: (a) the Plans are supported by Lead Plaintiff, with the concurrence of the Named Plaintiffs – who were purchasers of WorldCom bonds; (b) the Plans are fully supported by documents and affidavits showing the reasonableness of the Plans and their fairness and reasonableness to the Class Members; (c) the Plans are reasonable considering the statutory bases for the claims in the Litigation asserted on behalf of purchasers of the bonds issued by WorldCom in the May 2000 and May 2001 Offerings, and the claims asserted on behalf of purchasers of WorldCom stock and other publicly traded WorldCom securities during the Class Period; and (d) the Plans are further reasonable considering the risks of proving such claims against the Director Defendants and Andersen, and the damages potentially attributable to the Director Defendants, Andersen, Ebbers and Sullivan with respect to such claims;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The proposed Plans of Allocation are APPROVED. Lead Plaintiff is authorized and directed to utilize the Plans as the basis for calculating the Proofs of Claim submitted by

Class Members in connection with the Settlements in this Litigation in accordance with the Plans and the Supplemental Plan of Allocation, as approved by the Court.

2. The Court hereby finds and concludes that the Plans are fair and reasonable to Members of the Class of persons and entities who purchased or otherwise acquired publicly traded securities of WorldCom during the Class Period, and who were damaged thereby. Subject to the provisions of the Supplemental Plan of Allocation, as approved by the Court, the Net Settlement Funds shall be allocated to members of the Class, as follows:

A. For the Director Defendant, Andersen, Ebbers and Sullivan settlements, the amounts paid for the benefit of the Class in those settlements shall be allocated to members of the Class as follows: (i) 4.774% of the Net Settlement Fund to claims asserted under the Securities Act of 1933 (“Securities Act”) by purchasers of debt securities offered by WorldCom in May 2000; (ii) 15.226% of the Net Settlement Fund to claims asserted under the Securities Act by purchasers of debt securities offered by WorldCom in May 2001; and (iii) 80% of the Net Settlement Fund to claims asserted under the Securities Exchange Act of 1934 (“Exchange Act”) by Class Members who, during the Class Period, purchased WorldCom stock or other publicly-traded securities.

B. Further, because the first statement made by Andersen that Plaintiffs claim was false and misleading was made on March 30, 2000, the portion of the allocation made to Class Members in the settlement with Andersen with claims asserted under the Exchange Act shall be allocated only to Class Members with purchases on or after that date.

3. The finality of the Judgments entered with respect to the Settlements between Lead Plaintiff and the Director Defendants, between Lead Plaintiff and Andersen, between Lead Plaintiff and Ebbers, and between Lead Plaintiff and Sullivan, shall not be affected in any manner by this Order, or any appeal from this Order approving the Plans. Further, there shall be

no distribution of any of the Settlement Amounts to any Class Member until this Order – and the Order with respect to the Supplemental Plan of Allocation – becomes final, and is either affirmed on appeal and/or is no longer subject to review by appeal or certiorari, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

4. The notices described herein provided the best notice practicable under the circumstances. Said notices provided due and adequate notice of these proceedings and the matters set forth therein, including the Plans of Allocation, to all persons entitled to such notice, and said notices fully satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure and the requirements of due process.

5. There is no just reason for delay in the entry of this Order Approving Plans of Allocation with respect to Settlements with the Director Defendants, Arthur Andersen LLP, Bernard Ebbers and Scott Sullivan, and immediate entry of this Order by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

SO ORDERED:

Dated: New York, New York
_____, 2005

DENISE COTE
United States District Judge