

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 PROPOSED  
SUPPLEMENTAL PLAN OF ALLOCATION**

DENISE COTE, District Judge

On this \_\_\_ day of \_\_\_\_\_, 2005, a hearing having been held before this Court to consider: (1) Lead Plaintiff’s Proposed Supplemental Plan of Allocation (the “Supplemental Plan”) for the distribution of the Net Settlement Funds established as a result of the recoveries achieved by Lead Plaintiff and the Named Plaintiffs, on behalf of the Class, in this Litigation; and (2) the fairness and reasonableness of the Supplemental Plan to the Class Members;

And it appearing that (a) a notice of the hearing and a copy of the Supplemental Plan, in the forms approved by the Court, were mailed to all persons and entities who filed a proof of claim form for distribution of the Net Settlement Funds, (b) a notice of the hearing and a Summary of the Supplemental Plan, in the forms approved by the Court, were mailed to all other persons and entities who were reasonably identifiable as persons who may have 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 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 Supplemental Plan is supported by Lead Plaintiff, with the concurrence of the Named Plaintiffs; (b) the Supplemental Plan is fully supported by documents and affidavits showing the reasonableness of the Plan and its fairness and reasonableness to the Class Members; (c) the Supplemental Plan is reasonable considering the statutory bases for the claims in the Litigation; (d) the Supplemental Plan is further reasonable considering the damages potentially recoverable with respect to such claims, the law governing loss causation, the 90-day lookback provision of the Private Securities Litigation Reform Act of 1995, and the cumulative increase during the course of the Class Period of the overstatements of earnings in WorldCom's financial statements; and (e) the Supplemental Plan was developed with the assistance of Lead Plaintiff's damages expert based on the reported prices of publicly-traded securities of WorldCom and reasonable assumptions pertaining to the artificial inflation in the prices of those publicly-traded securities during the Class Period,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The proposed Supplemental Plan of Allocation is APPROVED. Lead Plaintiff is authorized and directed to utilize the Plan 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 of Allocation, as approved by the Court.

2. The Court hereby finds and concludes that the Supplemental Plan is fair and reasonable to Members of the Class. Upon satisfaction of all conditions to the Settlements and subject to the provisions of the Plans of Allocation, as approved by the Court, the proceeds of the recoveries achieved in this Litigation shall be distributed to Class Members, as follows:

- a. To pay costs and expenses in connection with providing the various Court-approved Notices to Class Members and administering the Settlements on behalf of Class Members;
- b. To reimburse Lead Plaintiff and Lead Counsel for, and to pay, expenses incurred in connection with the prosecution of this Action, with interest thereon if and to the extent allowed by the Court;
- c. To pay Lead Counsel's fees, with interest thereon if and to the extent allowed by the Court;
- d. To pay the reasonable costs incurred in the preparation of any tax returns required to be filed on behalf of the Settlement Funds as well as the taxes (and any interest and penalties determined to be due thereon) owed by reason of the earnings of the Settlement Funds, including taxes and tax expenses; and
- e. Subject to final approval by the Court of the Plans of Allocation and Supplemental Plan of Allocation (which means that the Orders granting approval have been (i) affirmed on appeal or certiorari, or (ii) are no longer subject to review by appeal or certiorari, and the time for any petition for rehearing, appeal or review by appeal or certiorari has expired), the balance of the Settlement Funds (the "Net Settlement Funds"), shall be distributed in accordance with the Plans of Allocation and the Supplemental Plan of Allocation, as approved by the Court, to Class Members who submit valid, timely Proofs of Claim. There shall be no distribution to any Class Member until after such final Court approval has been obtained.

3. The finality of the Judgments entered with respect to the Settlements between Lead Plaintiff and the Settling Defendants shall not be affected in any manner by this Order, or any appeal from this Order approving the Supplemental Plan. 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 Plans 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 notice described herein provided the best notice practicable under the circumstances. Said notice provided due and adequate notice of these proceedings and the matters set forth therein, including the Supplemental Plan, to all persons entitled to such notice, and said notice 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 Supplemental Plan of Allocation, 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

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DENISE COTE  
United States District Judge