

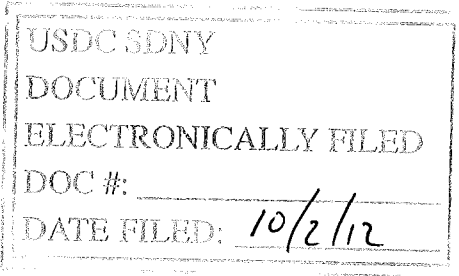
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE WORLDCOM, INC. :
SECURITIES LITIGATION :

MASTER FILE NO.
02 Civ. 3288 (DLC)

This Document Relates to: :

- 02 Civ. 3288 02 Civ. 4973 02 Civ. 8230 :
- 02 Civ. 3416 02 Civ. 4990 02 Civ. 8234 :
- 02 Civ. 3419 02 Civ. 5057 02 Civ. 9513 :
- 02 Civ. 3508 02 Civ. 5071 02 Civ. 9514 :
- 02 Civ. 3537 02 Civ. 5087 02 Civ. 9515 :
- 02 Civ. 3647 02 Civ. 5108 02 Civ. 9516 :
- 02 Civ. 3750 02 Civ. 5224 02 Civ. 9519 :
- 02 Civ. 3771 02 Civ. 5285 02 Civ. 9521 :
- 02 Civ. 4719 02 Civ. 8226 03 Civ. 2841 :
- 02 Civ. 4945 02 Civ. 8227 03 Civ. 3592 :
- 02 Civ. 4946 02 Civ. 8228 03 Civ. 6229 :
- 02 Civ. 4958 02 Civ. 8229 :



~~PROPOSED~~ ⁹ **ORDER PRELIMINARILY APPROVING
SETTLEMENT WITH ARTHUR ANDERSEN LLP OF
CONTINGENT PAYMENT CLAIM AND PROVIDING FOR NOTICE**

DENISE COTE, District Judge

WHEREAS:

A. Lead Plaintiff, Thomas P. DiNapoli, Comptroller of the State of New York, as Administrative Head of the New York State and Local Retirement Systems and as Trustee of the New York State Common Retirement Fund, and the WorldCom Class, and (ii) Defendant Arthur Andersen LLP (“Andersen”) have entered into a settlement (the “Settlement”) of all claims against Andersen with respect to paragraph 1.gg. of the Stipulation of Settlement entered into between Lead Plaintiff and Andersen dated April 22, 2005 (the “WorldCom Stipulation of Settlement”), on the terms and conditions set forth in the Agreement Between Lead Plaintiff and

Arthur Andersen LLP Concerning Contingent Payment Claim, dated September 27, 2012 (the “Agreement”) (Exhibit 1 hereto);

B. Lead Plaintiff has requested, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, entry of an Order preliminarily approving the Settlement and providing notice of the proposed Settlement to the WorldCom Class; and

C. The Court, having read and considered the Agreement, the Notice of Proposed Settlement of Contingent Payment Claim with Arthur Andersen LLP (the “Notice”) (Exhibit 2 hereto), Summary Notice of Proposed Settlement of Contingent Payment Claim with Arthur Andersen LLP (the “Summary Notice”) (Exhibit 3 hereto) and the proposed form of Judgment (Exhibit 4 hereto), and having considered all other papers and arguments submitted in connection with Lead Plaintiff’s request, and finding that substantial and sufficient grounds exist for entering this Order;

IT IS HEREBY ORDERED:

1. For purposes of this Order, the Court adopts all defined terms as set forth in the Agreement or in the WorldCom Stipulation of Settlement.
2. The Court preliminarily approves the Settlement, as reflected in the Agreement, as being fair, just, reasonable and adequate, pending a final hearing on the Settlement.
3. Institution or prosecution of any action or claim that is subject to the release or dismissal provisions contemplated by the Settlement is hereby enjoined pending further order of the Court.

NOTICE

4. The Court approves the continued retention of The Garden City Group, Inc. as the Notice and Claims Administrator (the “Administrator”) to supervise and administer the notice

procedure and the distribution of the Net WorldCom Settlement Amount to Authorized Claimants.

5. Lead Plaintiff, through the Administrator, shall disseminate notice of the Settlement, including notice of the hearing on the proposed Settlement and Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses, as follows:

a. not later than 14 days after entry of this order (the "Notice Date"), the Lead Counsel and Administrator shall cause the Notice, substantially in the form attached hereto as Exhibit 2, to be published on www.worldcomlitigation.com and on Lead Counsel's websites, www.blbglaw.com and www.barrack.com, and the Summary Notice, substantially in the form attached hereto as Exhibit 3, to be published through *PR Newswire* and mailed directly to all WorldCom Class Members who cashed all of their prior distributions from the proceeds of the WorldCom Settlements and thus, pursuant to prior Order of this Court, are eligible to receive additional distributions, subject to the limitation that they would receive at least \$5.00 in the next distribution (which shall be determined on the assumption that the proposed Settlement and the application for an award of attorneys' fees and reimbursement of expenses are approved and the Effective Date occurs).

b. as provided in the Summary Notice, the Administrator shall mail or email a printed copy of the Notice to any WorldCom Class Member who requests such a copy by mail, email or telephone prior to the Settlement Hearing; and

c. not later than 7 days prior to the Settlement Hearing, Lead Counsel shall serve on Andersen and file with the Court proof, by affidavit or declaration, of such publication and dissemination of the Notice and the Summary Notice.

6. The Court approves, as to form and content, the Notice and the Summary Notice and finds that the procedures established for the publication and dissemination of the Notice and the Summary Notice substantially in the manner and form set forth in paragraph 5 of this Order meet the requirements of Rules 23(e)(1) and 23(h)(1) of the Federal Rules of Civil Procedure, and due process, and constitute notice that is reasonable, under the circumstances, to apprise WorldCom Class Members of the effect of the proposed Settlement and of their right to appear at the Settlement Hearing and object to the proposed Settlement and/or the motion for an award of attorneys' fees and reimbursement of expenses.

7. The costs of providing notice shall be paid from the WorldCom Settlement Amount as provided in the Agreement without further order of the Court.

HEARING, RIGHT TO BE HEARD

8. The Court will hold a settlement hearing (the "Settlement Hearing") on November 14, 2012 at 2:00 p.m. in Courtroom 15B of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY, at which time the Court shall (a) determine whether the proposed Settlement on the terms and conditions provided for in the Agreement is fair, reasonable, and adequate and should be approved; (b) determine whether a Judgment substantially in the form attached as Exhibit B to the Agreement should be entered; (c) determine whether the motion by Lead Counsel for an award of attorneys' fees and reimbursement of expenses should be approved; and (d) consider any other matters that may properly be brought before the Court in connection with the Settlement.

9. Lead Counsel shall file and serve papers in support of the Settlement and Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses no later than ___

35
days prior to the Settlement Hearing; if reply papers are necessary, they are to be filed and served no later than 7 days prior to the Settlement Hearing.

10. Any WorldCom Class Member may appear at the Settlement Hearing to show cause, if he, she or it has any cause, why the proposed Settlement and/or Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses should or should not be approved; provided, however, that no WorldCom Class Member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the motion for an award of attorneys' fees and reimbursement of expenses unless that person or entity has filed a written objection with the Court and served copies of such objection in the manner provided in the Notice such that it is received no later than 21 days prior to the Settlement Hearing on each of the following:

BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP
John C. Browne
1285 Avenue of the Americas
New York, New York 10019

BARRACK RODOS & BACINE
Jeffrey W. Golan
3300 Two Commerce Square
2001 Market Street
Philadelphia, Pennsylvania 19103

Attorneys for Lead Plaintiff and Co-Lead Counsel for the WorldCom Class

CURTIS, MALLET-PREVOST,
COLT & MOSLE LLP
Eliot Lauer
Michael Moscato
101 Park Avenue
New York NY 10178

Attorneys for Defendant Arthur Andersen LLP

11. Any objections, filings and other submissions by the objecting WorldCom Class Member must (a) state the name, address and telephone number of the person or entity objecting and must be signed by the objector and (b) contain a statement of his, her or its objection, as well

as the specific reasons for each objection, including the legal and evidentiary support the WorldCom Class Member wishes to bring to the Court's attention. In addition, if a person or entity other than an Authorized Claimant submits an objection, he, she or it must include documents sufficient to show membership in the WorldCom Class.

12. Any member of the WorldCom Class who does not make his, her or its objection in the manner provided herein shall be deemed to have waived his, her or its right to object to the Settlement and the motion for an award of attorneys' fees and reimbursement of expenses and shall forever be barred and foreclosed from objecting to the fairness, reasonableness or adequacy of the Settlement or the requested attorneys' fees and expenses, or from otherwise being heard concerning the Settlement or the requested attorneys' fees and expenses in this or any other proceeding.

13. Any WorldCom Class Member may enter an appearance in the Litigation, at his, her or its own expense, individually or through counsel of his, her or its own choice, by filing with the Clerk of Court and delivering a notice of appearance to both Lead Counsel and Andersen's Counsel listed in the Notice such that it is received no later than 2/ days prior to the Settlement Hearing, or as the Court may otherwise direct. Any WorldCom Class Member who does not enter an appearance will be represented by Lead Counsel.

14. The Court may adjourn the Settlement Hearing and approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the WorldCom Class.

OTHER PROVISIONS

15. The WorldCom Settlement Amount and any interest earned thereon (the "WorldCom Settlement Fund") shall be deemed and considered to be *in custodia legis* of the

Court, and shall remain subject to the jurisdiction of the Court, until such time as it shall be distributed pursuant to the Agreement and/or further order(s) of the Court.

15. Lead Counsel is authorized and directed to prepare any tax returns and any other tax reporting form for or in respect of the WorldCom Settlement Fund, to pay from the WorldCom Settlement Fund any Taxes owed with respect to the WorldCom Settlement Fund, and to otherwise perform all obligations with respect to Taxes and any reporting or filings in respect thereof without further order of the Court in a manner consistent with the provisions of the Agreement.

16. This Settlement is contingent on approval of a parallel settlement between Lead Plaintiff and Andersen in the McKesson Action in the United States District Court for the Northern District of California. If the Agreement is terminated, the Settlement is not approved, the settlement of the McKesson Settled Claim in the McKesson Action is not approved, or the Effective Date of the Agreement does not occur, this Order shall become null and void and be without prejudice to the rights of Lead Plaintiff, the WorldCom Class Members and Andersen, and the Parties shall be deemed to have reverted to their respective status immediately prior to the execution of the Agreement.

17. Neither the Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Agreement or the Settlement: (i) is or may be deemed to be or may be used or offered as an admission or evidence of the validity of any released WorldCom Settled Claim or of any wrongdoing or liability of any Settling Defendant Releasee; or (ii) is or may be deemed to be or may be used or offered as an admission or evidence of any fault or omission of any Settling Defendant Releasee in any civil, criminal or

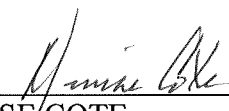
administrative proceeding in any court, administrative agency or other tribunal, other than as may be necessary to consummate or enforce the Agreement, the Settlement or the Judgment.

18. Neither the Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Agreement or the Settlement: (i) is or may be deemed to be or may be used or offered as an admission or evidence against Lead Plaintiff or any WorldCom Class Members that any of their claims are without merit or that or that the Contingent Payment Claim recoverable under paragraph 1.gg. of the WorldCom Stipulation of Settlement would not have exceeded the WorldCom Settlement Amount; or (ii) is or may be deemed to be or may be used or offered as an admission or evidence of any fault or omission of Lead Plaintiff or any WorldCom Class Members in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal, other than as may be necessary to consummate or enforce the Agreement, the Settlement or the Judgment.

19. The Court retains jurisdiction to consider all further applications arising out of or connected with the proposed Settlement.

SO ORDERED:

Dated: New York, New York
October 2, 2012



DENISE COTE
United States District Judge