

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 :

**LEAD PLAINTIFF'S REPLY MEMORANDUM OF LAW IN FURTHER SUPPORT OF
FINAL APPROVAL OF SETTLEMENT WITH ARTHUR ANDERSEN LLP
OF CONTINGENT PAYMENT CLAIM AND IN FURTHER SUPPORT OF LEAD
COUNSEL'S APPLICATION FOR AN AWARD OF
ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES**

BARRACK, RODOS & BACINE

Leonard Barrack
Jeffrey W. Golan
Chad A. Carder
3300 Two Commerce Square
2001 Market Street
Philadelphia, Pennsylvania 19103
(215) 963-0600

**BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP**

Max W. Berger
John C. Browne
1285 Avenue of the Americas
New York, New York 10019
(212) 554-1400

*Attorneys for 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 Co-Lead Counsel for the Class*

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 (“Lead Plaintiff” or “NYSCRF”), respectfully submits this reply memorandum in further support of the motion, filed on November 9, 2012 [Docket #3359], for: (i) final approval of the settlement reached between Lead Plaintiff and Defendant Arthur Andersen LLP (“Andersen”) of the Contingent Payment Claim¹ that remained open between the parties pursuant to the Stipulation of Settlement of April 22, 2005, as reflected in the Agreement Between Lead Plaintiff and Arthur Andersen LLP Concerning Contingent Payment Claim, dated September 27, 2012 (the “Settlement”); and (ii) approval of an award of attorneys’ fees and reimbursement of expenses in connection with the Settlement (the “Final Approval Motion”).

As set forth in the Final Approval Motion, pursuant to this Court’s Preliminary Approval Order, starting on October 15, 2012, the Notice was published on www.worldcomlitigation.com and on Lead Counsel’s websites, www.blbgilaw.com and www.barrack.com. The Summary Notice was also published on October 15, 2012 over the *PR Newswire* and was mailed directly to all members of the WorldCom Class 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. *See* Affidavit of Jason Zuena Regarding Dissemination of the Andersen Notice and Summary Notice (“Zuena Aff.”), at ¶¶ 2, 6. In addition, a printed hard copy of the

¹ All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in either (1) the Agreement Between Lead Plaintiff and Arthur Andersen LLP Concerning Contingent Payment Claim, dated September 27, 2012, and submitted to the Court by letter dated September 28, 2012; (2) the Stipulation of Settlement between Lead Plaintiff and Andersen dated April 22, 2005; (3) the Summary Notice mailed to members of the WorldCom Class on or about October 15, 2012; or (4) the Final Approval Motion.

Notice was mailed or emailed to any member of the WorldCom Class who requested such a copy by mail, email, or telephone. *See id.* at ¶ 3.

Lead Plaintiff submits this Reply to inform the Court that, following submission of the Final Approval Motion and following the passing of the November 23, 2012 deadline for submission of objections, there are no objections to either final approval of the Settlement or to Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses. The lack of any objections from the WorldCom Class to either the Settlement or to Lead Counsel's fee request weighs heavily in favor of this Court's final approval of both.

Additionally, Lead Plaintiff submits this Reply to apprise the Court that, on November 28, 2012, Judge Ronald M. Whyte issued an order preliminarily approving the settlement with Andersen in *In re McKesson HBOC, Inc. Securities Litigation*, No. 99-CV-20743 RMW (PVT) (N.D. Cal.). The notice process for the *McKesson* settlement, which is substantially similar to the notice process utilized here, will begin on December 12, 2012. A final settlement hearing for the *McKesson* settlement is currently scheduled for February 8, 2013.

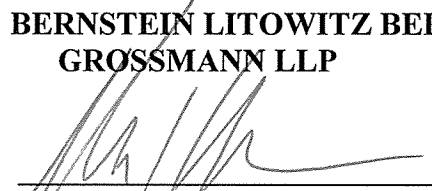
In addition to the matters raised in the Final Approval Motion, Lead Counsel have one further issue on which we seek a ruling by the Court. After the dissemination of the Summary Notice, the Administrator, GCG, received three (3) requests from Class Members to reissue their uncashed checks from the third distribution of the WorldCom Settlements. *See Zuena Aff.* at ¶ 7. The three requests pertain to third distribution checks in the amounts of \$9.30, \$32.22, and \$45.75. *Id.* Lead Counsel seek a ruling as to whether GCG should re-issue these checks, which would also make these claimants eligible to receive a further payment from the next distribution of funds, including the proceeds of the present Settlement.

Based on the foregoing and for the reasons set forth in Lead Plaintiff's Final Approval Motion, Lead Plaintiff respectfully requests that the Court finally approve the proposed Settlement and grant Lead Counsel's request for an award of attorneys' fees and reimbursement of expenses.

Dated: December 7, 2012

Respectfully submitted,

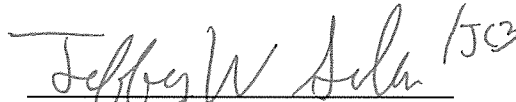
**BERNSTEIN LITOWITZ BERGER &
GROSSMANN LLP**



Max W. Berger
John C. Browne
1285 Avenue of the Americas
New York, NY 10019-6028
Tel: (212) 554-1400

-and-

BARRACK, RODOS & BACINE



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