

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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THE ALBERT FADEM TRUST and BRUCE A. :
FADEM, as Trustee, on Behalf of :
Themselves and All Others Similarly : 02 CIV. 3288 (DLC)
Situating, : and consolidated
: cases
: Plaintiffs, :
: ORDER
-v- :
:
WORLD COM, INC., BERNARD J. EBBERS, :
JAMES C. ALLEN, MAX E. BOBBITT, :
FRANSECO GALESI and ARTHUR ANDERSEN :
LLP, :
: Defendants. :
:
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DENISE COTE, District Judge:

The Court having conducted a pretrial conference on August 12, 2002 to address motions to consolidate and for appointment of lead plaintiff and lead counsel in class actions brought against WorldCom, Inc. ("WorldCom"), and others, all of which involve common questions of law and fact, it is hereby

ORDERED as follows:

I. CONSOLIDATION

1. The actions listed on the annexed schedule are consolidated for all purposes pursuant to Rule 42(a), Fed. R. Civ. P. They shall be referred to collectively as In re WorldCom, Inc. Securities Litigation, Master File No. 02 Civ. 3288 (DLC).

2. No action taken hereunder shall have the effect of making any person, firm or corporation a party to any action in

which the person or entity has not been named, served, or added as such in accordance with the Federal Rules of Civil Procedure.

II. MASTER DOCKET AND SEPARATE ACTION DOCKETS

3. A Master Docket is hereby established for the consolidated proceedings in the actions consolidated herein and any other actions subsequently consolidated with them either for all purposes or for pretrial purposes (the "Consolidated Actions"). Entries in said Master Docket shall be applicable to the Consolidated Actions, and entries shall be made therein in accordance with the regular procedures of the Clerk of this Court, except as modified by this Order.

4. When a pleading is filed and the caption, pursuant to this Order, shows that it is applicable to "All Actions," the Clerk shall file such pleading in the Master File and note such filing in the Master Docket. No further copies need be filed nor other docket entries made.

III. MASTER FILE AND SEPARATE ACTION FILES

5. A Master File is hereby established for the consolidated proceedings in the Consolidated Actions. The Master File shall be Civil Action No. 02 Civ. 3288 (DLC). The original of this Order shall be filed by the Clerk in the Master File herein established. The Clerk shall maintain a separate file for each of the Consolidated Actions and filings shall be made therein in accordance with the regular procedures of the Clerk of this Court except as modified by Section II of this Order. The Clerk shall file a copy of this Order in each such separate file.

The Clerk shall mail a copy of this Order to counsel of record in each of the Consolidated Actions.

IV. NEWLY FILED OR TRANSFERRED ACTIONS

6. When a class action that relates to the same subject matter as the Consolidated Actions is hereafter filed in or transferred to this Court and assigned to the undersigned, it shall be consolidated with these actions in the same manner as the cases identified in Section I above (provided that any case transferred to this Court solely for pretrial proceedings shall be consolidated only to that extent absent further order of this Court), except as provided below, and the Clerk of Court shall:

a. File a copy of this Order in the separate file for such action.

b. Mail a copy of the Order of assignment to counsel for plaintiffs and counsel for each defendant in the Consolidated Actions.

c. Make an appropriate entry in the Master Docket.

d. Mail to the attorneys for the plaintiff(s) in the newly filed or transferred case a copy of this Order.

e. Upon the first appearance of any new defendant(s), mail to the attorneys for such defendant(s) in such newly filed or transferred case a copy of this Order.

7. The Court requests the assistance of counsel in calling to the attention of the Clerk the filing or transfer of any case which might properly be consolidated with these actions.

V. APPLICATION OF THIS ORDER TO SUBSEQUENT CASES

8. This Order shall apply to each class action assigned to the undersigned alleging claims similar to those set forth in these actions, whether brought on behalf of holders of WorldCom stocks, bonds, or any other securities, so long as WorldCom is named as a defendant in the action. This Order shall apply to each such case which is subsequently filed in or transferred to this Court, and which is assigned to the undersigned unless a party objecting to the consolidation of that case or to any other provision of this Order serves an application for relief from this Order or from any of its provisions within ten (10) days after the date on which the Clerk mails a copy of this Order to counsel for that party. The provisions of this Order shall apply to such action pending the Court's ruling on the application.

Unless a plaintiff in a subsequently filed or transferred case is permitted by the Court to use a separate complaint, defendants shall not be required to answer, plead or otherwise move with respect to that complaint in any such case. If a plaintiff in any such case is permitted to use a separate complaint, each defendant shall have thirty days from the date the Court grants such permission within which to answer, plead or otherwise move with respect to any such complaint.

VI. CAPTIONS

9. Every pleading filed in the Consolidated Action, and in any separate action included therein, shall bear the following caption:

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE WORLDCOM, INC. SECURITIES :
LITIGATION : MASTER FILE
: 02 Civ. 3288 (DLC)
: This Document Relates To: :
: :
: :
: :
: :
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10. When a pleading is intended to be applicable to all actions to which this Order applies, the words "All Actions" shall appear immediately after the words "This Document Relates To:" in the caption. When a pleading is intended to apply only to less than all of such actions, the docket number for each individual action to which it is intended to apply and the name of the plaintiff in said action shall appear immediately after the words "This Document Relates To:" in the caption.

VII. FILING AND DOCKETING

11. When a paper is filed and the caption shows that it is applicable to All Actions, the Clerk shall file it in the Master File and note such filing in the Master Docket. No other docket entries need be made nor copies filed in other files.

12. When a paper is filed and the caption shows that it is applicable to less than All Actions, the Clerk shall file the original of the paper in the Master File and a copy in the file of each separate action to which it applies and shall note such filing in the Master Docket and in the docket of each such separate action. The party filing such paper shall supply the

Clerk with sufficient copies of any paper to permit compliance with this paragraph.

VIII. LEAD PLAINTIFF; LEAD PLAINTIFF'S COUNSEL

13. The New York State Common Retirement Fund is appointed Lead Plaintiff.

14. Bernstein Litowitz Berger & Grossmann LLP and Barrack, Rodos & Bacine shall serve as Co-Lead Counsel for all plaintiffs in the Consolidated Actions.

15. Co-Lead Counsel shall have the following responsibilities:

a. Sign any consolidated complaint, motions, briefs, discovery requests, objections, or notices on behalf of all plaintiffs or those plaintiffs filing the particular papers.

b. Conduct all pretrial proceedings on behalf of plaintiffs.

c. Brief and argue motions.

d. Initiate and conduct discovery.

e. Speak on behalf of plaintiffs at any pretrial conference.

f. Employ and consult with experts.

g. Conduct settlement negotiations with defense counsel on behalf of plaintiffs.

h. Call meetings of plaintiffs' counsel.

i. Distribute to all plaintiffs' counsel copies of all notices, orders, and decisions of the Court; maintain an up-to-date list of counsel available to all plaintiffs'

counsel on request; keep a complete file of all papers and discovery materials filed or generated in the Consolidated Actions which shall be available to all plaintiffs' counsel at reasonable hours.

IX. SCHEDULE

16. Plaintiffs shall file a consolidated amended complaint for the Consolidated Actions and any actions subsequently consolidated with them on or before October 11, 2002.

17. Pending filing and service of the consolidated amended complaint, defendants shall have no obligation to move, answer, or otherwise respond to any of the complaints in the actions consolidated herein or any actions subsequently consolidated with them.

SO ORDERED:

Dated: New York, New York
August 15, 2002

DENISE COTE
United States District Judge