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June 25, 2003

By Hand

The Honorable Denise L. Cote
United States District Court
Southern District of New York
500 Pearl Street, Room 1040
New York, New York 10007

Re: In re WorldCom, Inc. Securities Litigation, File No. 02 Civ. 3288 (DLC)

Dear Judge Cote:

On behalf of Lead Plaintiff New York State Common Retirement Fund ("NYSCRF") and Co-Lead Counsel Barrack, Rodos & Bacine, we write in response to Defendants' request, submitted yesterday afternoon, seeking a 45 day extension to file their papers in opposition to the Class motion. For the reasons set forth below, and because we believe that the schedule set by the Court at the May 21, 2003 conference provides ample time for resolution of any class certification issues, Lead Plaintiff opposes this request.

First, each of the grounds first aired by Defendants yesterday – challenging the application of the fraud on the market theory to analyst reports, litigating whether “highly sophisticated” institutional investors like the NYSCRF and Named Plaintiffs satisfy the typicality requirement of Rule 23, and seeking to shorten the Class Period – was well known to Defendants at the time the Court set the schedule on May 21. Defendants did not alert the Court to any of these issues at that time, nor did they share them with Lead Counsel despite our request for some specifics as to why they would not stipulate to class certification. It was only after the NYSCRF and Named Plaintiffs had worked hard to fulfill their part of this admittedly brisk schedule that the issue of extending the schedule was first raised with us, two days ago. Having insisted through a series of “lawyers”



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letters that Plaintiffs must strictly comply with the Court-ordered schedule – which Plaintiffs did – it is fair and appropriate to ask that Defendants do likewise.¹

Second, even if one were to ignore the timing of Defendants' request, the grounds on which they will apparently oppose class certification do not support delaying resolution of the class motion. The Citigroup Defendants' view that the fraud on the market theory should not apply to the analyst reports is not a legitimate ground to challenge the Class motion. To the contrary, that question is itself a common issue. Any challenge to the NYSCRF and Named Plaintiffs' typicality based on their "sophistication" utterly ignores Your Honor's analysis concerning this element in the *Cromer Finance* case and is, in any event, a legal matter that could be briefed by Defendants today, let alone by July 25 as scheduled. Finally, the notion that Defendants need 45 more days to develop an argument that the Class Period should be shortened is especially non-persuasive given that the Class Period at issue on the class motion is identical to that defined in the Complaint served on Defendants over eight months ago.

Third, Defendants' supposed difficulties in reviewing documents and taking depositions in the time allotted are overblown and self-inflicted. Defendants must review 30,000 pages of "class-related" documents only because they insisted – notwithstanding our objections about relevance and burden – that Plaintiffs comply with grossly overbroad document requests bearing little resemblance to the discrete categories described at the May 21 conference. That they have compounded this "problem" by sending similarly overbroad subpoenas to numerous third-parties is no basis to leverage an extension of time.²

As for depositions, the Court may recall that we informed Defendants at the conference that we had asked our client representatives to be available for class

¹ While Defendants waited weeks before surfacing this scheduling issue, they declined to provide Co-Lead Counsel even a single day to discuss this matter with each other and Lead Plaintiff. I was first informed of this request by one of Mr. London's partners at approximately 4:45 p.m. on Monday. I said I would have to discuss this issue with the NYSCRF and co-counsel, but committed to get back to him the very next day (Tuesday). No mention was made of any mid-day deadline, nor would such a deadline have been reasonable given the delay in raising the issue with Lead Counsel. After speaking with the NYSCRF's General Counsel and co-counsel yesterday, I was about to call Paul Weiss at approximately 2:15 p.m. when I received Mr. London's letter to the Court. I was surprised to read in that letter (at page 4) that I had not returned two calls, the second of which (as counsel conceded to me yesterday afternoon) was not placed until after I had read in Mr. London's letter that I had failed to return it.

² We note that, for all their complaining about the timing of Plaintiffs' production, Defendants have yet to produce a single document in response to Lead Plaintiffs' document request concerning class certification, even though we were informed weeks ago that certain Defendants believed they had (unspecified) grounds to object to class certification based on certain documents in their possession.

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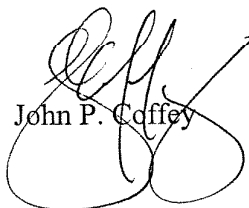
depositions during the weeks of June 23 and June 30. *See* Transcript at 37-38. We have yet to receive any communication whatsoever from Defendants about taking these depositions. Nowhere in their request do Defendants explain why they should be given more time for depositions when they have failed to take advantage of this opportunity.

Fourth, the sooner the Class is certified, the sooner all Class members can receive a Court-sanctioned notice that completely and accurately lays out their options regarding remaining in or opting out of the Class.

Finally, while the fraud involving WorldCom is unprecedented, issues relating to certification of an investor class are not, and those issues must not be permitted to become the expensive, burdensome, and needless sideshow sought by Defendants. Many of these same Defendants have filed numerous briefs here and elsewhere urging the courts to take steps consistent with judicial economy and preservation of assets (which, as we now know, include wasting insurance policies). While Defendants' request should be denied for many reasons, we note that doing so would be completely consistent with the principles of economy that Defendants have so vigorously advocated on other occasions.

In conclusion, Lead Plaintiff respectfully submits that the schedule set by the Court at the conference with the parties on May 21 is more than adequate to ensure full and fair consideration of whether the WorldCom Securities Litigation should proceed as a class action. Accordingly, Defendants' request for additional time should be denied.

Respectfully submitted,



John P. Coffey

cc: All Defendants' Counsel
Jeffrey W. Golan (Co-Lead Counsel for the NYSCRF and putative Class)
Michael J. Pucillo (Counsel for Fresno and FCERA)
Christopher Lometti (Counsel for HGK Management)
Neil Selinger (Liaison Counsel for Individual Actions)