

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] ORDER APPROVING LEAD PLAINTIFF’S MOTION TO
CONDUCT A SECOND DISTRIBUTION OF THE NET SETTLEMENT FUND**

Lead Plaintiff, by motion filed on December 21, 2007, on notice to Defendants’ Counsel, moved this Court for a second distribution of the Net Settlement Fund, and the Court, having considered all the materials and arguments submitted in support of such motion, including the Joint Declaration of Jeffrey N. Leibell and Jeffrey W. Golan in Support of Lead Plaintiff’s Motion to Conduct a Second Distribution of the Net Settlement Fund (the “Joint Declaration”) and the Affidavit of Shandarese Garr in Support of Lead Plaintiff’s Motion to Conduct a Second Distribution of the Net Settlement Fund (the “Garr Second Distribution Affidavit”), submitted therewith;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Order incorporates by reference the definitions in the Stipulations and all terms used herein shall have the same meanings as set forth in the Stipulations.

2. This Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Class Members.

3. Lead Plaintiff's motion to conduct a Second Distribution of the Net Settlement Fund in **GRANTED**. The Second Distribution shall be restricted to an additional \$1.4 billion of the approximately \$1.6 billion currently in the Net Settlement Fund, which distribution shall commence as soon as practicable after entry of this Order. The remaining balance of the Net Settlement Fund shall remain on deposit in the interest bearing escrow account until all outstanding disputed claims and payment objections have been resolved by the Court, and may not be distributed to Authorized Claimants without further order of the Court.

4. The additional \$1.4 billion of the Net Settlement Fund shall be distributed to Authorized Claimants, including all accepted claims-in-process, late claims, and adjusted claims, as set forth in Exhibit D to the Garr Second Distribution Affidavit.

5. The claims set forth in Exhibit E to the Garr Second Distribution Affidavit are rejected.

6. No claim submitted after December 31, 2007, may be accepted for any reason whatsoever.

7. Each Authorized Claimant receiving their initial payment from the Net Settlement Fund in connection with the second distribution shall simultaneously receive a letter, substantially in the form attached as Exhibit A to the Joint Declaration, which shall inform the Authorized Claimant that their payment represents their *pro rata* share of both the \$4.52 billion initial distribution amount and the \$1.4 billion second distribution amount. The letter shall include a notice advising that should an Authorized Claimant

disagree with the calculation of his, her or its Recognized Amount or distribution amount, such disagreement must be made in writing, detailing the disagreement, and must be sent to the Claims Administrator, postmarked no later than a date thirty days after the distribution check is mailed. The letter shall also advise these Authorized Claimants that the failure to timely inform the Claims Administrator of his, her or its objection in the manner provided shall be deemed to have forever waived all objections to the amount of their distribution.

8. Each Authorized Claimant receiving their second payment from the Net Settlement Fund in connection with the second distribution shall simultaneously receive a letter, substantially in the form attached as Exhibit B to the Joint Declaration, which shall inform the Authorized Claimant that their payment represents their *pro rata* share of the \$1.4 billion second distribution amount.

9. Each Authorized Claimant receiving their second payment from the Net Settlement Fund in connection with the second distribution who objected to their initial payment amount shall simultaneously receive a letter, substantially in the form attached as Exhibit C to the Joint Declaration, which shall, in addition to informing the Authorized Claimant of their payment amount, notify the Authorized Claimant that their objection has been received by the Claims Administrator and will be presented to the Court for resolution in a future distribution motion.

10. The Claims Administrator, the Settling Parties, counsel herein in any capacity in which they may act hereunder, and any employees or agents of the Claims Administrator, the law firms or the parties (including without limitation those employees who may furnish services in connection with the Settlements) shall not be liable for

anything done or omitted to be done in connection with the Settlements and the administration thereof, except for their own intentional misconduct.

11. This Court retains jurisdiction over any further application or matter which may arise in connection with the Settlements.

12. There is no just reason for delay in the entry of this Order as a Final Order of the Court; immediate entry of this Order as a Final 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
_____, 200_

DENISE COTE
United States District Judge