

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~~ *e*
**PRELIMINARY APPROVAL ORDER REGARDING
SETTLEMENT WITH BUFORD YATES AND DAVID MYERS**

DENISE COTE, District Judge

WHEREAS:

A. Lead Plaintiff, Alan G. Hevesi, 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 Additional Named Plaintiffs, Fresno County Employees Retirement Association, the County of Fresno, California, and HGK Asset Management, Inc., and the Class (collectively, "Plaintiffs"), and (ii) Defendants Buford Yates and David Myers (collectively, the "Settling Defendants," and together with Plaintiffs, the "Parties") have entered into a settlement

(the "Settlement") of the claims asserted against the Settling Defendants in the class actions consolidated in the above-captioned action (the "Action"), the terms of which are set forth in a Stipulation of Settlement, dated July 26, 2005 (the "Stipulation");

B. Lead Plaintiff and the Settling Defendants have moved, pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, for an Order preliminarily approving the Settlement; and

C. The Court having read and considered the Stipulation and the proposed form of Judgment, 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 Stipulation.

2. The Court preliminarily approves the Settlement, as reflected in the Stipulation, 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, dismissal or bar provisions contemplated by the Settlement, including without limitation the provisions of paragraphs 5 and 12 of the Stipulation, is hereby enjoined pending further order of the Court.

4. Prosecution by any Previously Settling Defendants of any action or claim for contractual or other indemnity or contribution against the Settling Defendant Releasees, arising out of or related to the claims or allegations asserted by Plaintiffs in the Litigation, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims, whether asserted in the Complaint, in this Court, in any federal or

state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere, is hereby enjoined pending further order of the Court. Provided, however, that the injunction stated in this paragraph shall not apply to claims that may be asserted by Previously Settling Defendants in cases of persons who timely opted out of the Class and did not submit a valid request to revoke the prior request for exclusion as allowed by the Court.

5. Prosecution by the Settling Defendants of any action or claim for contractual or other indemnity or contribution against the Previously Settling Defendants, arising out of or related to the claims or allegations asserted by Plaintiffs in the Complaint, whether arising under state, federal or foreign law as claims, cross-claims, counterclaims, or third-party claims, is hereby enjoined pending further order of the Court. Provided, however, that the injunction stated in this paragraph shall not apply to claims that may be asserted by the Settling Defendants in cases of persons who timely opted out of the Class and did not submit a valid request to revoke the prior request for exclusion as allowed by the Court.

6. Subject to final approval of the Settlement, the Remaining Individual Defendant shall be entitled to judgment credit for each claim for which the Remaining Individual Defendant may be found liable for common damages, in an amount equal to each Settling Defendants' proportionate share of fault as determined at trial.

7. Nothing herein shall prohibit a Previously Settling Defendant from pursuing defenses in the Litigation based on the alleged responsibility of the Settling Defendants.

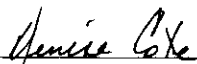
8. The hearing to address the fairness and adequacy of the Settlement shall occur on September 9, 2005, at 2:30 p.m., and the procedures for objecting to the

Settlement shall be as set forth in the Hearing Order dated June 14, 2005 (the "June 14, 2005 Hearing Order"). As set forth in paragraph 5 of the June 14, 2005 Hearing Order, no further notice shall be mailed to Class Members, as this Settlement will not increase the settlement funds recovered to date. Notice of this Settlement shall be provided by posting a description of the Settlement on the web site maintained by Lead Counsel, at www.worldcomlitigation.com, and by publishing a notice in *The Wall Street Journal* and *The New York Times*, and over the PR Newswire. As set forth in paragraph 40 of the previously disseminated Notice of Proposed Settlements of Class Action with Settling Defendants and Bar Order, a Class Member may request a personal copy of such notice of settlement by mailing a request to the Administrator postmarked no later than August 12, 2005 at the following address:

WorldCom, Inc. Securities Litigation
Administrator
The Garden City Group, Inc.
Claims Administrator
P.O. 9000 #6247
Merrick, NY 11566-9000

SO ORDERED:

Dated: New York, New York
July 28, 2005



DENISE COTE
United States District Judge