

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE WORLDCOM, INC. : MASTER FILE NO.
SECURITIES LITIGATION : 02 Civ. 3288 (DLC)
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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 :
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**[PROPOSED] ORDER APPROVING LEAD PLAINTIFF'S MOTION TO
CONDUCT AN INITIAL DISTRIBUTION OF THE NET SETTLEMENT FUND**

Lead Plaintiff, by motion filed on November 21, 2006, on notice to Defendants' Counsel, moved this Court for the initial 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 John P. Coffey and Jeffrey W. Golan in Support of Lead Plaintiff's Motion to Conduct an Initial Distribution of the Net Settlement Fund (the "Joint Declaration"), the Affidavit of Shandarese Garr in Support of Motion for Initial Distribution of the Net Settlement Fund (the "Garr Initial Distribution Affidavit"), and the Independent Accountant's Report on Applying Agreed-Upon Procedure, 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 an initial distribution of the Net Settlement Fund in **GRANTED**. The initial distribution shall be restricted to \$4.52 billion, which distribution shall commence as soon as practicable after entry of this Order. The remaining balance will remain on deposit in the interest bearing escrow account until the processing of claims-in-process and late-filed claims is completed, and until all unresolved disputed claims have been resolved by the Court, and may not be distributed to Authorized Claimants without further order of the Court.

4. The Net Settlement Fund shall be distributed to Authorized Claimants, as set forth in Exhibit E to the Garr Initial Distribution Affidavit.

5. The claims set forth in Exhibit E-1 to the Garr Initial Distribution Affidavit are rejected.

6. In order to bring to the Claims Administrator's, Lead Plaintiff's and, if necessary, the Court's attention as expeditiously as possible any challenge by an Authorized Claimant that his, her or its Loss Amount or distribution amount was not properly determined under the terms of the Supplemental Plan of Allocation, each Authorized Claimant who receives a distribution from the Net Settlement Fund in connection with the initial distribution shall simultaneously receive a letter and a check stub, substantially in the forms annexed as Exhibit A and B to the Joint Declaration, which shall include a notice advising that should an Authorized Claimant disagree with

the calculation of his, her or its Loss 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 initial distribution check is mailed. The notice also shall advise Authorized Claimants that the failure to timely advise 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.

7. To increase the likelihood that any Claimant who did not receive a notice of rejection, but did not receive an initial distribution check, will notify Lead Counsel or the Claims Administrator of that fact before the balance of the Net Settlement Fund is distributed, notice of the initial distribution, substantially in the form annexed as Exhibit C to the Joint Declaration, shall be (a) published once each in the national editions of *The Wall Street Journal* and *The New York Times* and electronically on the *PR Newswire*, (b) sent to the Bloomberg and Dow Jones Newswire services, and (c) placed on the web site maintained by Lead Counsel for the purpose of this Action, www.worldcomlitigation.com, and on the web site maintained by the Claims Administrator, www.gardencitygroup.com.

8. The Court approves the form of notices described above in paragraphs 6 and 7, and finds that the procedures established for publication, mailing and distribution of such notices substantially in the manner and form set forth in such paragraphs 6 and 7 of this Order meet the requirements of due process, and constitute the best notice practicable under the circumstances.

9. 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.

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

11. 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
_____, 2006

DENISE COTE
United States District Judge