

Service List for Global Crossing Orders

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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

**IN RE GLOBAL CROSSING LTD.  
SECURITIES LITIGATION**

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: Case No. 02 Civ. 910 (GEL)

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**FINDINGS AND ORDER PRELIMINARILY  
CERTIFYING A CLASS FOR PARTIAL SETTLEMENT PURPOSES  
AND PRELIMINARILY APPROVING PROPOSED SETTLEMENT**

Since February 2002, over 50 putative class actions alleging securities law violations have been filed against, among others, current and former officers, directors and employees of Global Crossing Ltd. The Judicial Panel on Multidistrict Litigation centralized all of these actions before this Court for coordinated or consolidated pretrial proceedings. In a December 13, 2002 order, the Court (i) consolidated the actions alleging securities law violations (the "Action"), (ii) appointed the Public Employees' Retirement System of Ohio and the State Teachers' Retirement System of Ohio as lead plaintiff in the Action ("Lead Plaintiffs"), and (iii) appointed Grant & Eisenhofer, P.A. as lead counsel in the Action ("Lead Counsel").

In a May 29, 2003 order, the Court consolidated into the Action five putative class actions alleging securities law violations against, among others, current and former officers, directors and employees of Asia Global Crossing Ltd., a former majority-owned subsidiary of Global Crossing Ltd. On March 22, 2004, Lead Plaintiffs filed the Second Amended Consolidated Class Action Complaint in the Action. The defendants in the Action include Goldman, Sachs & Co. ("Goldman"); Merrill Lynch & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc. (together, "Merrill Lynch"); CIBC World Markets Corp. ("CIBC WM"); Bear Stearns & Co. Inc. ("Bear Stearns"); J.P. Morgan Chase & Co. and J.P. Morgan Securities, Inc. (together, "JPMorgan"); Credit Suisse Securities (USA) LLC [formerly known as Credit Suisse

First Boston LLC and Credit Suisse First Boston Corporation], Credit Suisse (USA) Inc. [formerly known as Donaldson, Lufkin & Jenrette, Inc. and Credit Suisse First Boston USA Inc.] and Donaldson, Lufkin & Jenrette Securities Corporation (collectively, "CSFB"); Morgan Stanley; Deutsche Bank Securities Inc. ("Deutsche Bank"); Lehman Brothers Inc. ("Lehman"); ABN AMRO Rothschild LLC ("ABN AMRO Rothschild"); A.G. Edwards & Sons, Inc. ("A.G. Edwards"); Wachovia Securities (formerly First Union Securities, Inc.) ("Wachovia"); RBC Capital Markets Corporation (formerly RBC Dominion Securities Corporation) ("RBC"); Dresdner Kleinwort Wasserstein-Grantchester, Inc. (formerly Wasserstein Perella Securities, Inc.) ("DKW"); Advest, Inc. ("Advest"); Harris Nesbitt Corp. (formerly Gerard Klauer Mattison & Co., Inc.) ("Harris Nesbitt"); Guzman & Company ("Guzman"); Kaufman Bros., L.P. ("Kaufman"); McDonald Investments, Inc. ("McDonald"); Monness, Crespi, Hardt & Co., Inc. ("Monness"); Samuel A. Ramirez & Co., Inc. ("Ramirez"); Raymond James & Associates, Inc. ("Raymond James"); Scott & Stringfellow, Inc. ("Scott & Stringfellow"); and Stephens Inc. ("Stephens") (collectively, the "Underwriter Defendants"), and CIBC WM, Canadian Imperial Bank of Commerce ("CIBC"), CIBC Capital Partners and CIBC Capital Partners (Cayman) (collectively, the "CIBC Defendants").

The Underwriter Defendants and CIBC Defendants are collectively referred to as the "Financial Institution Settling Defendants."

Presented to the Court for preliminary approval is the fourth partial settlement of the Action. The terms of the settlement are set out in a Stipulation of Settlement (the "Settlement Agreement") that was executed by the Settling Parties on July 24, 2006. Approval of this settlement – reached after almost three years of sporadic arm's-length and protracted negotiations that included mediation conferences before United States Magistrate Judge Michael

H. Dolinger and mediation sessions before retired District Judge Nicholas H. Politan – would result in dismissal with prejudice of the Action as to the Financial Institution-Related Releasees.<sup>1</sup>

On July 24, 2006, the Court preliminarily considered the settlement to determine whether, among other things, preliminarily to certify a class in the Actions for settlement purposes and whether the settlement is sufficient to warrant the issuance of notice to members of the settlement class. Upon reviewing the Settlement Agreement and the matter having come before the Court, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. **Class Findings** – For purposes of the settlement of the Action as to the Settling Defendant and other Financial Institutional-Related Releasees (and only for such purposes, and without an adjudication of the merits), the Court preliminarily finds that the requirements of the Federal Rules of Civil Procedure, the United States Constitution, the Rules of the Court and any other applicable law have been met as to the class described in the paragraphs below in that:
  - a. The class is ascertainable from records kept by the companies and/or their agents, and from other objective criteria, and the Class Members of each class are so numerous that their joinder before the Court would be impracticable.
  - b. The Lead Plaintiffs and the named representative plaintiffs have alleged numerous questions of fact and law purportedly common to the class proposed in the Action.
  - c. Based on allegations in the Action that the Financial Institution-Related Defendants engaged in uniform misconduct affecting members of the classes proposed, the Court preliminarily finds that the claims of the Lead

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<sup>1</sup> Capitalized terms not otherwise defined in this Order shall have the same meaning as ascribed

Plaintiffs and Securities Plaintiffs in the Action are typical of the claims of the class proposed in the Action.

- d. The Court further finds that the Lead Plaintiffs and Securities Plaintiffs will fairly and adequately protect the interest of the Class they seek to represent in that (i) the interest of Lead Plaintiffs and Securities Plaintiffs and the nature of their alleged claims are consistent with those of the Members of the Class, (ii) there appear to be no conflicts between or among the Lead Plaintiffs, the Securities Plaintiffs and the class proposed in the Action, (iii) the Lead Plaintiffs and the Securities Plaintiffs have been and appear to be capable of continuing to be active participants in both the prosecution and the settlement of the Action, and (iv) the Lead Plaintiffs, the Securities Plaintiffs, and the Class Members are represented by qualified, reputable counsel who are experienced in preparing and prosecuting large, complicated securities fraud class actions.
- e. The Court preliminarily finds that, for settlement purposes in the Action, questions of law or fact common to members of the Class predominate over any questions affecting only individual members of the Class and that a class-action resolution in the manner proposed by the Settlement Agreement would be superior to other available methods for a fair and efficient adjudication of the Action. In making these preliminary findings, the Court has considered, among other factors, (i) the interest of members of the Class Members in individually controlling the prosecution or
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- to them in the Settlement Agreement.

defense of separate actions, (ii) the impracticability or inefficiency of prosecuting or defending separate actions, (iii) the extent and nature of any litigation concerning these claims already commenced, and (iv) the desirability of concentrating the litigation of the claims in a particular forum.

f. **Preliminary Class Certification for Settlement Purposes in the Action**

– Based on the findings set out in paragraphs 1(a) through (e) above, the Court preliminarily certifies the following class for settlement purposes only under Fed. R. Civ. P. 23(b)(3) in the Action. Lead Plaintiffs and the Securities Plaintiffs are certified as Class Representatives of the Class. The Class consists of all persons, entities, or legal beneficiaries or participants in any entities who, during the period from February 1, 1999 through December 8, 2003, inclusive (the “Class Period”), purchased, sold, exchanged, acquired, disposed of, transferred, or made any other Investment Decision involving, Global Crossing Securities. The Class preliminarily certified for settlement purposes in the Action shall *not* include: (1) those persons or entities who submit valid and timely requests for exclusion from the Class; (2) the Financial Institution Settling Defendants, and any current or former directors or officers of a Financial Institution Settling Defendant; (3) any Previously Settled Defendant, any Family Members of any Previously Settled Defendant, and any current or former directors or officers of a Previously Settled Defendant; (4) Global Crossing & Affiliates and any of their current or former directors or

officers; (5) Microsoft Corp. and Softbank Corp. and any of their current or former directors or officers; (6) the legal representatives, heirs, executors, successors or assigns of any person or entity that is excluded from the definition of Class or Class Member; and (7) any entity in which any person or entity that is excluded from the definition of Class or Class Member has or had a Controlling Interest; *provided that* the foregoing exclusions do not apply where the person or entity that is excluded from the definition of Class or Class Member (or the entity in which such person or entity has or had a Controlling Interest) acts as nominee, trustee, street name holder, fund manager or in any other fiduciary capacity for persons or entities who otherwise would be entitled to be Class Members.

The Court finds that, for the sole purpose of settlement, and without an adjudication of the merits, the Class is sufficiently well-defined and cohesive.

2. **Preliminary Findings Regarding Proposed Settlement** – The Court preliminarily finds that the proposed settlement resulted from extensive arm's-length negotiations, and the Settlement Agreement was executed only after Lead Counsel had conducted pre-filing interviews and document review, and extensive pre-settlement document discovery, as described above.

3. **Fairness Hearing** – The Court will conduct a hearing (the “Fairness Hearing”) on October 27, 2006 at 10 a.m. to determine, among other things:

- a. whether the Action should be finally certified as a class action for settlement purposes;

- b. whether the proposed partial settlement of the Action should be approved as fair, reasonable and adequate;
- c. whether the Action should be dismissed with prejudice pursuant to the terms of the settlement;
- d. whether the notice, summary notice and notice methodology implemented pursuant to the Settlement Agreement (i) constituted the best practicable notice, (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Class Members of the pendency of the Action, their right to object to the proposed settlement, their right to appear at the Fairness Hearing and their right to exclude themselves from the proposed settlement, (iii) were reasonable and constituted due, adequate and sufficient notice to all persons entitled to notice and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, the United States Constitution (including the Due Process Clause), the Rules of the Court, the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), 15 U.S.C. § 78u-4 et seq., and any other applicable law;
- e. whether Lead Counsel, Lead Plaintiffs and Securities Plaintiffs adequately represented the Class for purposes of entering into and implementing the Settlement Agreement;
- f. whether Class Members (and their heirs, executors and administrators, predecessors, successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b) and assigns) should, subject to certain exclusions set out in the Settlement Agreement, be permanently barred and enjoined from filing,

commencing, prosecuting, intervening in, participating in (as class members or otherwise), or receiving any benefits or other relief from, any other lawsuit, arbitration or other proceeding or order in any jurisdiction that is based upon, arises out of or relates to any Released Claims (as that term is defined in the Settlement Agreement), including, but not limited to, any claim that is based upon, arises out of or relates to the Action or the transactions and occurrences referred to in the Complaint;

- g. whether all persons or entities should, subject to certain exclusions set out in the Settlement Agreement, be permanently barred and enjoined from organizing any Class Members for purposes of pursuing as a purported class action (including by seeking to amend a pending complaint to include class allegations, or by seeking class certification in a pending action) any lawsuit that is based upon, arises out of or relates to any Released Claims (as that term is defined in the Settlement Agreement), including, but not limited to, any claim that is based upon, arises out of or relates to the Action or the transactions and occurrences referred to in the Complaint;
- h. whether, subject to certain exclusions set out in the Settlement Agreement, a complete bar should be entered that permanently bars, enjoins and restrains from commencing, prosecuting or asserting any Claim for indemnity or contribution against any Financial Institution-Related Releasee (or any other Claim against any Financial Institution-Related Releasee where the alleged injury to such person or entity is that person's

or entity's actual or threatened liability to the Class or a Class Member in the Action), arising out of or related to the Claims or allegations asserted by Lead Plaintiffs and/or the Additional Named Plaintiffs in the Action, whether arising under state, federal or foreign law, as claims, cross-claims, counterclaims, or third-party claims, whether asserted in the Action, 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. However, with respect to any judgment that the Class or a Class Member may obtain against such person or entity based upon, arising out of, or relating to any Released Claim belonging to the Class or a Class Member, that person or entity shall be entitled to a credit of the greater of (i) an amount that corresponds to the percentage of responsibility of the Financial Institution Settling Defendants for the loss to the Class or a Class Member or (ii) the amount of the Total Cash Settlement Amount; and

- i. whether the applications for attorneys' fees and expenses filed by Lead Counsel should be approved.

4. **Notice to Class Members** – Lead Plaintiffs (or their designee) shall cause notice to be provided regarding the Settlement Agreement substantially in the form of the Notice for purposes of mailing attached hereto as Exhibit A and substantially in the form of the Summary Notice for purposes of publication attached as Exhibit B as set forth in the Settlement Agreement. The form of Proof of Claim the Class Members will be required to use to participate in this settlement shall be substantially in the form of that attached as Exhibit C. The Plans of

Allocation for distribution of the settlement proceeds to Authorized Claimants shall be substantially in the form of that attached as Exhibit D. Non-material changes to the form of Notice, Summary Notice, Proof of Claim and Plan of Allocation may be made without further approval of the Court. The Settling Parties must consent to any changes to the Notice, Summary Notice and Proof of Claim, even if those changes are not material.

- a. By no later than August 13, 2006, cause a notice to be mailed by first-class mail, postage prepaid, to the last known address of the following persons and entities who can be identified by reasonable effort: (i) each person or entity within the class definitions for each of the Actions and (ii) in cases of pending litigation, arbitration or other proceeding of any other Claim against any Releasee relating to any of the Released Claims, to all legal counsel known by Lead Counsel or Financial Institution-Related Defendants' Counsel to represent a Class Member. The notice shall comply with Fed. R. Civ. P. 23 in all respects.
- b. By no later than August 13, 2006, cause the notice to be published on the websites of Lead Counsel and the Administrator.
- c. By no later than August 13, 2006, cause a summary notice to be published on at least one occasion in the newspapers identified in the Settlement Agreement.
- d. Before the Fairness Hearing, as provided for in the Settlement Agreement, the Settling Parties and/or the Administrator shall file with the Court a proof of (i) mailing of the notice, (ii) publication of the notice on Lead

Counsel's and the Administrator's websites and (iii) publication of the summary notice.

5. **Retention of Administrator** – The Court authorizes Lead Counsel to retain The Garden City Group, Inc. as Administrator to help implement the terms of the proposed settlement, and authorizes such Administrator to assist Lead Counsel and Financial Institution-Related Defendants' Counsel in (i) mailing or arranging for mailing of the notice to Class Members, (ii) arranging for publication of the summary notice, (iii) publishing the notice on the Administrator's website; (iv) answering written inquiries from Class Members and/or forwarding such inquiries to Lead Counsel or its designee(s), (v) providing additional copies of the notice, upon request, to Nominees or Class Members; (vi) receiving and maintaining on behalf of the Court any requests for exclusion received from potential Class Members; (vii) receiving and processing Proof of Claim from Class Members; (viii) mailing or causing to be mailed to Authorized Claimants their distribution under the Plan of Allocation; and (ix) otherwise assisting Lead Counsel with administration and implementation of the Settlement Agreement.

6. **Exclusion from the Class** – Any potential Class Member who wishes to be excluded from the Class must mail by first-class mail or otherwise deliver a written request for exclusion to the Administrator, care of the address provided in the Notice, such that it is postmarked or delivered no later than October 6, 2006. The request for exclusion shall include the following information: (i) name, (ii) address, (iii) telephone number, (iv) number and type of Global Crossing Securities purchased, sold, exchanged, acquired or retained, (v) prices paid or value at receipt and (vi) the date of each transaction. If the proposed settlement is approved, any potential Class Member who does not file a timely written request for exclusion from the Class and his, her or its heirs, executors and administrators, predecessors, successors, affiliates (as

defined in 17 C.F.R. Part 210.1-02.b) and assigns) shall be bound by the Release and by all proceedings, orders and judgments in the Action, even if he, she or it has pending, or subsequently initiates, any litigation, arbitration or other proceeding, or has any Claim, against any or all of the Releasees relating to any of the Released Claims. A list of the persons and entities who have validly and timely requested exclusion from the Class shall be provided by the Settling Parties to the Court at or before the Fairness Hearing.

7. **Objections** – Any Class Member who has not filed a timely and valid request for exclusion from the Class who wishes to object to the fairness, reasonableness or adequacy of this Settlement Agreement, to the Plan of Allocation, to any term(s) of this Settlement Agreement, or to the proposed Attorneys' Fees and Expenses Award, must both effect service on Lead Counsel and Financial Institution-Related Defendants' Counsel and file with the Court a statement of his, her or its objection(s), as well as (i) which part of this Settlement Agreement the Class Member objects to and (ii) the specific reason(s), if any, for each such objection made by the Class Member, including any legal support the Class Member wishes to bring to the Court's attention and any evidence the Class Member wishes to introduce in support of such objection. The Class Member must provide the statement to each of the following:

Clerk of the Court  
United States District Court  
for the Southern District of New York  
500 Pearl Street  
New York, NY 10007  
Re: Case No. 02 Civ. 910 (GEL)

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*Underwriter Defendants' Counsel*

T. Mark McLaughlin, Esq.  
Daniel L. Ring, Esq.  
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Chicago, IL 60606

*CIBC Defendants' Counsel*

The objector and his, her or its counsel (if any) must both effect service of his, her or its objection on Lead Counsel and Financial Institution-Related Defendants' Counsel and file it with the Court by no later than October 6, 2006. If a Class Members hires an attorney to represent him, her or it for the purposes of objecting to the settlement pursuant this paragraph, the attorney must both effect service of a notice of appearance on Lead Counsel and Financial Institution-Related Defendants' Counsel (at the addresses set out above) and file it with the Court by no

later than October 17, 2006. Any Class Member who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the settlement, and any untimely objection shall be barred.

8. **Appearance at Fairness Hearing** – Any Class Member who files and serves a timely, written objection in accordance with paragraph 7 above may also appear at the Fairness Hearing either in person or through counsel retained at the Class Member's expense. Class Members or their attorneys intending to appear at the Fairness Hearing must both effect service of a notice of intention to appear setting forth, among other things, the name, address and telephone number of the Class Member (and, if applicable, the name, address and telephone number of the Class Member's attorney) on Lead Counsel and Financial Institution-Related Defendants' Counsel (at the addresses set out above) and file it with the Court by no later than October 17, 2006. Any Class Member who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except for good cause shown.

9. **Post-Office Box(es)** – Lead Counsel or its designated agents are directed to assign a post-office box or boxes in the name of the Clerk of the Court to be used for receiving requests for exclusion from Class Members and any other communications from any Class Members. In addition to the Court and the Clerk of the Court, only Lead Counsel, Financial Institution-Related Defendants' Counsel and their designated agents shall have access to such post-office box(es).

10. **Preliminary Injunction** – Class Members who have not validly and timely excluded themselves from the Class (and their heirs, executors and administrators, predecessors,

successors, affiliates (as defined in 17 C.F.R. Part 210.1-02.b) and assigns) are preliminarily enjoined from filing, commencing, prosecuting, intervening in, participating in as class members or otherwise, or receiving any benefits or other relief from, any other lawsuit, arbitration or administrative, regulatory or other proceeding or order in any jurisdiction, based on or relating in any way to (i) the claims and causes of action, or the facts and circumstances relating thereto, in the Action and/or (ii) the Released Claims. In addition, all persons are hereby preliminarily enjoined from filing, commencing or prosecuting any other lawsuit as a class action (including by seeking to amend a pending complaint to include class allegations or by seeking class certification in a pending action in any jurisdiction) on behalf of any Class Members, including Class Members who have not timely excluded themselves from the Class, if such other lawsuit is based on or relates in any way to the claims and causes of action, or the facts and circumstances relating thereto, in the Action and/or the Released Claims.

11. **Service of Papers** -- Financial Institution-Related Defendants' Counsel, Lead Counsel, and any other counsel for Securities Plaintiffs, or the Class, shall promptly furnish each other with copies of any and all objections or written requests for exclusion that come into their possession.

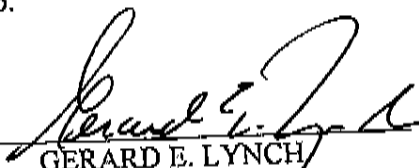
12. **Termination of Settlement** -- This Order shall become null and void, and shall be without prejudice to the rights of the Settling Parties, all of whom shall be restored to their respective positions existing immediately before this Court entered this Order, if: (i) the proposed settlement is not finally approved by the Court, or does not become final, pursuant to the terms of the Settlement Agreement; or (ii) the proposed settlement is terminated in accordance with the Settlement Agreement or does not become effective as required by the terms of the Settlement Agreement for any other reason. In such event, the proposed Settlement

Agreement shall become null and void and of no further force and effect, and neither the Settlement Agreement or the Court's orders, including this Order, shall be used or referred to for any purpose whatsoever.

13. **Use of Order** – This Order shall be of no force or effect if the Settlement Agreement does not become final and shall not be construed or used as an admission, concession or declaration by or against the Financial Institution-Related Defendants or the Financial Institution-Related Releasees of any fault, wrongdoing, breach or liability. Nor shall the Order be construed or used as an admission, concession or declaration by or against Lead Plaintiffs, Securities Plaintiffs, or the Class Members that their claims lack merit or that the relief requested in the Complaints is inappropriate, improper or unavailable, or as a waiver by any party of any defenses or claims he, she or it may have.

14. **Continuance of Hearing** – The Court reserves the right to continue the Fairness Hearing without further written notice.

SO ORDERED this 25<sup>th</sup> day of July 2006.

  
GERARD E. LYNCH  
United States District Judge