

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re GLOBAL CROSSING, LTD. : Case No. 02 MD 1472 (GEL)
SECURITIES AND ERISA :
LITIGATION : ORDER
:
_____ X : _____ X

GERARD E. LYNCH, District Judge:

Approximately seventy cases growing out of the decline in value of Global Crossing, Ltd. (“GC”) have been filed in this Court or transferred here by the Joint Panel on Multidistrict Litigation for consolidated or coordinated proceedings. The majority of these cases stem from class action complaints on behalf of purchasers of GC securities; essentially all of these complaints specifically allege that GC overstated revenues in its SEC filings and other public statements, primarily by means of fraudulent accounting practices in connection with reciprocal leases of cable capacity. Another set of class action complaints, brought on behalf of employee-participants in GC’s retirement savings plan, charge that various defendants violated their duties as fiduciaries under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), by failing to monitor the plan’s investments in company stock, and by failing to disclose to plan participants and beneficiaries the risk of investing in GC securities.

Numerous motions for consolidated and for appointment of lead plaintiffs, and for other relief relating to the proper organization of these cases in order to resolve the various overlapping claims and common legal and factual issues, have been submitted, and the papers relating to these various motions have been considered by the Court. Conferences involving all counsel were held on November 22, 2002, and December 10, 2002, to hear arguments regarding these various applications, and to assist the Court in understanding the views of the various parties concerning the fairest and most efficient methods of resolving these disputes. On the basis of the oral and written submissions of the parties, and after extended reflection by the Court, it is hereby ORDERED, for the reasons stated on the record in open court on December 10, 2002, that:

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III. Securities Litigation

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B. Appointment of Lead Plaintiffs and Organization of Counsel

Pursuant to 15 U.S.C. § 78u-4(a)(3)(B) and 15 U.S.C. § 77z-1(a)(3)(B), the Public Employees Retirement System of Ohio and the State Teachers Retirement System of Ohio are appointed Lead Plaintiffs in the Consolidated Securities Action.

The Court approves the Lead Plaintiffs' selection of Grant & Eisenhofer, P.A., as Lead Counsel in the Consolidated Securities Action.

Counsel for Staro Asset Management, LLC, Bennett Restructuring Funds, Richard P. Kleinknecht, and James F. Tucker shall serve as members of an Executive Committee of the plaintiffs in the GC Securities Actions. Alterations in the composition of the Executive Committee, to the extent necessary or desirable, may be made from time to time by application to the Court.

Lead counsel in the Consolidated Securities Action shall have the following responsibilities: (a) sign any consolidated complaint, motions, briefs, discovery requests, objections, stipulations, or notices on behalf of plaintiffs for any matters arising during pretrial proceedings; (b) conduct all pretrial proceedings on behalf of plaintiffs; (c) brief and argue motions; (d) initiate and conduct discovery; (e) speak on behalf of plaintiffs at any pretrial conferences; (f) employ and consult with experts; (g) conduct settlement negotiations with defense counsel on behalf of plaintiffs; (h) call meetings of plaintiffs' counsel; (i) accept service on behalf of all plaintiffs; (j) distribute to all plaintiffs' counsel copies of all notices, orders, and decisions of the Court, including this order; (k) maintain an up-to-date list of counsel available to all plaintiffs' counsel on request; and (l) keep a complete file of all papers and discovery materials filed or generated in the Consolidated Securities Action which shall be available to all plaintiffs' counsel at reasonable hours.

In carrying out these responsibilities, Lead Counsel shall consult with members of the Executive Committee, and shall keep members of the Executive Committee informed of significant developments in the litigation. The Executive Committee members shall assist Lead Counsel in communication with all counsel in the GC Securities Actions.

* * *

SO ORDERED.

Dated: New York, New York
December 13, 2002

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GERARD E. LYNCH
United States District Judge