

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF MISSISSIPPI**

JUDY WILSON RAMBO, on Behalf of a class of all others similarly situated, and)) WORLD COM 401(k) SALARY SAVINGS) PLAN, appearing derivatively through JUDY) WILSON RAMBO, a participant in the Plan,)) Plaintiffs,)) v.)) WORLD COM, INC., BERNARD J.) EBBERS, SCOTT D. SULLIVAN, JAMES) C. ALLEN, MAX E. BOBBITT, JOHN) DOES 1-100 and UNKNOWN FIDUCIARY) DEFENDANTS 1-100,)) Defendants.)) <hr style="border-top: 1px solid black;"/>	CIVIL ACTION NO. CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT
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Plaintiff Judy W. Rambo, on behalf of herself and a class of all others similarly situated, and the WorldCom 401(k) Salary Savings Plan (the “Plan”), appearing derivatively through Judy W. Rambo, allege as follows:

NATURE OF THE ACTION

1. This is a class action brought by plaintiff pursuant to section 502 of the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. § 1132, on behalf of the Plan, and on behalf of a class of all participants in and beneficiaries of the Plan, a 401(k) plan established and sponsored by WorldCom, Inc. (“WorldCom” or the “Company”) as a benefit for its employees.

2. 401(k) plans confer tax benefits on participating employees as an incentive to save for retirement and/or other long-term goals. An employee participating in a 401(k) plan

frequently has the option of purchasing the common stock of her employer as part of her 401(k) investment portfolio.

3. In their capacity as sponsor, administrators and/or directors of the Plan, defendants are fiduciaries of the Plan and owe fiduciary duties to participants and beneficiaries of the Plan, including plaintiff and members of the class.

4. Plaintiff Judy W. Rambo was a participant in the Plan and purchased WorldCom common stock as part of her 401(k) investment portfolio.

5. This Complaint alleges that defendants breached their fiduciary duties to plaintiff and the members of the class in violation of ERISA § 404, 29 U.S.C. § 1104, particularly with regard to the Plan's holdings of company stock. Defendants breached their duties of prudence, care and loyalty by, inter alia, imprudently permitting and/or causing the investment of Plan assets in grossly overvalued WorldCom stock, failing to provide participants with complete and accurate information regarding the risks associated with investing in WorldCom stock, encouraging employees to invest their retirement monies in WorldCom common stock without disclosing that, because of WorldCom's true financial condition, it was imprudent for employees to maintain a concentrated investment in WorldCom's common stock as part of their 401(k) investment portfolio. Defendants also breached their duties by failing to ensure diversification in the Plan's assets.

6. Because ERISA authorizes participants such as plaintiff to sue for plan-wide relief for breaches of fiduciary duties, and because plaintiff is similarly situated to the other participants and beneficiaries of the Plan, plaintiff seeks to bring this action as a class action on behalf of herself and a class of all participants in and beneficiaries of the Plan between January 3, 2000 and the present (the "Class Period").

JURISDICTION AND VENUE

7. The claims alleged herein arise under section 502 of ERISA, 29 U.S.C. § 1132.

8. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 (subject matter jurisdiction), and specific jurisdiction pursuant to section 502(e)(1) of ERISA, 29 U.S.C. § 1132(e)(1).

9. Venue is proper in this judicial district pursuant to ERISA § 502(e)(2), 29 U.S.C. §1132(e)(2). Venue is also proper in this district under 28 U.S.C. § 1391(b) and (c) because defendants administered the Plan in this district, some or all of the fiduciary breaches for which relief is sought occurred in this district, and one or more of the defendants may be found in this District.

THE PLAN

10. The WorldCom 401(k) Salary Savings Plan is an “employee pension benefit plan,” as defined by section 3(2)(A) of ERISA, 29 U.S.C. § 1002(2)(A). Further, the Plan is an “eligible individual account plan” within the meaning of section § 407(d)(3) of ERISA, 29 U.S.C. § 1107(d)(3), and is a “qualified cash or deferred arrangement” within the meaning of I.R.C. § 401(k), 26 U.S.C. § 401(k). The relief requested in this action is for the benefit of the Plan and its participants/beneficiaries. At all times relevant to this Complaint, WorldCom was the sponsor of the Plan.

11. Participants in the Plan were permitted to contribute up to 15% of their eligible base pay to the Plan, depending on various factors. Participants directed the investment of their contributions to the various investment options available in the Plan. Included in the available investment options was WorldCom stock.

12. WorldCom matched the participants’ contributions, at certain specified percentages, by making contributions to the participants’ accounts in WorldCom stock.

13. In the case of plaintiff, matching contributions were made until April 2002.

PARTIES

Plaintiffs

14. Plaintiff Judy W. Rambo worked for WorldCom and/or a predecessor of WorldCom for fifteen years, ending in January, 2002.

15. At all times relevant hereto, plaintiff was a “participant” in the WorldCom 401(k) Salary Savings Plan pursuant to section 3(7) of ERISA, 29 U.S.C. § 1102(7). As of January 2002, plaintiff held in excess of 650 shares of WorldCom stock in her 401(k) investment portfolio.

16. As set forth above, the Plan is an “employee pension benefit plan” and an “eligible individual account plan” within the meaning of ERISA, and is also a “qualified cash or deferred arrangement” as defined by the Internal Revenue Code.

17. Employees of WorldCom, including plaintiff and members of the class, lost millions of dollars when the value of the company’s shares plummeted in value to \$2.35. In 2002 alone, the Company’s stock has lost over 80% of its value.

Defendants

18. Defendant WorldCom, a provider of telecommunications services, is a Georgia corporation having its principal place of business at 500 Clinton Center Drive, Clinton, MS. The Company’s stock trades on the Nasdaq National Market System under the symbol “WCOM”.

19. Defendant Bernard J. Ebbers (“Ebbers”) served as WorldCom’s President and Chief Executive Officer during the Class Period. Upon information and belief, Ebbers was a fiduciary of the Plan within the meaning of ERISA in that he exercised discretionary authority with respect to: (i) management and administration of the Plan; and/or (ii) management and disposition of the Plan’s assets.

20. Defendant Scott D. Sullivan (“Sullivan”) served as WorldCom’s Chief Financial Officer during the Class Period. Upon information and belief, Sullivan was a fiduciary of the Plan within the meaning of ERISA in that he exercised discretionary authority with respect to: (i) management and administration of the Plan; and/or (ii) management and disposition of the Plan’s assets.

21. Defendant James C. Allen (“Allen”) served as a Director and member of the Audit Committee of the Company’s Board of Directors. Upon information and belief, Allen was a fiduciary of the Plan within the meaning of ERISA in that he exercised discretionary authority

with respect to: (i) management and administration of the Plan; and/or (ii) management and disposition of the Plan's assets.

22. Defendant Max E. Bobbitt ("Bobbitt") served as a Director and member of the Audit Committee of the Company's Board of Directors. Upon information and belief, Bobbitt was a fiduciary of the Plan within the meaning of ERISA in that he exercised discretionary authority with respect to: (i) management and administration of the Plan; and/or (ii) management and disposition of the Plan's assets.

23. Fictitious Defendants John Does 1-100 are residents of the United States and are or were members of the Company's Board of Directors and/or members of the Company's Employee Benefits Committee during the Class Period. Their identity is presently unknown to plaintiff. Once their identity is discovered, plaintiff will seek leave to amend to join them under their true names.

24. Unknown Fiduciary Defendants 1-100 are residents of the United States and are or were fiduciaries of the Plan during the Class Period. Their identity is now unknown to plaintiff. Once their identity is discovered, plaintiff will seek leave to amend to join them under their true names.

25. By reason of their positions with the Company, defendants had access to internal Company documents, reports and other information, including the adverse non-public information concerning the Company's services, accounting practices, financial condition and future prospects, and attended management and/or board of directors meetings.

CLASS ACTION ALLEGATIONS

26. Plaintiff brings this action as a class action pursuant to Rules 23(a), (b)(1), (b)(2) and (b)(3) of the Federal Rules of Civil Procedure on behalf of herself and the following class of persons similarly situated (the "Class"):

All persons who were participants in or beneficiaries of the Plan at any time between January 3, 2000 and the present (the "Class Period").

Excluded from the Class are the defendants, any entity in which the defendants have a controlling interest or is a parent or subsidiary of or is controlled by the Company, and the officers, directors, employees, affiliates, legal representatives, heirs, predecessors, successors and assigns of the defendants.

27. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believe there are, at a minimum, thousands of members of the Class who participated in or were beneficiaries of the Plan during the Class Period.

28. Common questions of law and fact exist as to all members of the Class and predominate over any questions affecting solely individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether defendants each owed a fiduciary duty to plaintiff and members of the Class;

(b) whether defendants breached their fiduciary duties to plaintiff and members of the Class by failing to act prudently and solely in the interests of the Plan's participants and beneficiaries;

(c) whether defendants violated ERISA; and

(d) whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

29. Plaintiff's claims are typical of the claims of the members of the Class because plaintiff and the other members of the Class each sustained damages arising out of the defendants' wrongful conduct in violation of federal law as complained of herein.

30. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class action, complex and ERISA litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

31. A class action is superior to the other available methods for the fair and efficient adjudication of this controversy since joinder of all members of the Class is impracticable. Furthermore, because the damages suffered by the individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for the Class members individually to redress the wrongs done to them. Plaintiff anticipates no unusual difficulties in the management of this action as a class action.

32. Class action status is also warranted because prosecution of separate actions by the members of the Class would create a risk of adjudications with respect to individual members of the Class which would: (i) establish incompatible standards of conduct for defendants, making class treatment appropriate pursuant to Rule 23(b)(1)(A); and (ii) as a practical matter, be dispositive of the interests of the other members not parties to the adjudications, or substantially impair or impede their ability to protect their interests, making class treatment appropriate pursuant to Rule 23(b)(1)(B).

33. Moreover, class treatment is appropriate because the defendants have acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive, declaratory, or other appropriate equitable relief with respect to the Class as a whole.

DEFENDANTS' FIDUCIARY STATUS

34. During the Class Period, defendants had discretionary authority with respect to the management of the Plan and/or the management or disposition of the Plan's assets, and had discretionary authority or responsibility for the administration of the Plan.

35. During the Class Period, all of the defendants acted as fiduciaries of the Plan pursuant to section 3(21)(A) of ERISA, 29 U.S.C. § 1002(21)(A) and the law interpreting that section.

36. ERISA requires every plan to provide for one or more named fiduciaries, who will have "authority to control and manage the operation and administration of the plan." § 402(a)(1), 29 U.S.C. § 1102(a)(1). Instead of delegating fiduciary responsibility for the Plan to

external service providers, the Company chose to comply with the requirement of section 402(a)(1) by internalizing the fiduciary function. It did so in various ways.

37. First, during the Class Period, the Company designated itself as Plan administrator, thereby making itself an ERISA fiduciary pursuant to section 402(a)(1).

38. Second, ERISA treats as fiduciaries not only persons explicitly named as fiduciaries under Section 402(a)(1), but also any other persons who act in fact as fiduciaries, i.e., performed fiduciary functions. Section 3(21)(A)(I) of ERISA, 29 U.S.C. §1002(21)(A)(I), provides that a person is a fiduciary “to the extent ... he exercises any discretionary authority or discretionary control respecting management of such plan or exercises any authority or control respecting management of disposition of its assets...” During the Class Period, defendants performed fiduciary functions under this standard, and thereby also acted as fiduciaries under ERISA.

39. In addition, under ERISA, in various circumstances non-fiduciaries who knowingly participate in fiduciary breaches may themselves be liable. To the extent any of the defendants are held not to be fiduciaries, they remain liable as non-fiduciaries who knowingly participated in the breaches of fiduciary duty described below.

SUBSTANTIVE ALLEGATIONS

A. Dissemination of False and Misleading Financial Information to Unsuspecting Employees and Market.

40. On March 30, 2001, WorldCom issued its annual report for the fiscal year ending December 31, 2000 (the “2000 10k”). The 2000 10k included a report to the shareholders of WorldCom prepared and signed by Arthur Andersen LLP (“Andersen”), the Company’s auditors, dated March 30, 2001, which stated that the financial statements incorporated in the 2000 10k “present fairly, in all material respects, the financial position of WorldCom, Inc. . . . (2000 10K p. F-2).

41. The 2000 10k also included Andersen’s consent to, inter alia, incorporate WorldCom’s audited financial statements, that were certified by Andersen, into the 2000 10k

(2000 10K Exhibit 23.1). The audited financial statements stated that WorldCom had net income of over \$4 billion (on sales of over \$39 billion) for fiscal 2000 and had earned \$1.43 per share on diluted basis. The Company subsequently reported the following financial results:

- (a) For 1Q 01, net income of \$610 million and earnings per share of \$0.21;
- (b) For 2Q 01, net income of \$97 million and earnings per share of \$0.04; and
- (c) For 3Q 01, net income of \$536 million and pro forma earnings per share

of \$0.16.

42. Such financial results were submitted to the SEC in quarterly reports on Form 10Q. Such quarterly reports contained the following, or a similar, statement:

The financial statements included herein, are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting and SEC regulations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations. In the opinion of our management, the financial statements reflect all adjustments (of a normal and recurring nature) which are necessary to present fairly the financial position, results of operations and cash flows for the interim periods. These financial statements should be read in conjunction with our Annual Report on Form 10-K/A the year ended December 31, 2000.... (10Q 2Q 2001 at p. 6).

* * * *

43. The financial information and above-referenced purported financial results did not include all adjustments necessary to render them a fair and accurate presentation of WorldCom's financial condition. In fact, such financial results were misleading because they failed to reflect the true value of (or any reasonable approximation of the true value of) the goodwill and other intangible assets that the Company had obtained in connection with its acquisition of numerous other telecommunications companies, including without limitation those set forth at ¶ 1, supra, at premium prices. Such goodwill and other intangibles continued to be carried at a value reflecting the price that WorldCom had paid for them at the time of the acquisitions, even though such value bore no relation to any true market or other realistic value for such assets. Through

the misleading financial results, Defendants breached their duty to speak truthfully and to not mislead participant regarding WorldCom stock, one of the Plan investment options.

44. On February 25, 2002, the National Post revealed that, according to research by consultancy Stern Stewart & Co., WorldCom might have to write off as much as \$37 billion in goodwill and intangibles because they were being carried at values vastly higher than their true market value.

45. Such unrealistic carrying values were in contravention of Financial Accounting Standard 142, which, as of January 1, 2002, specifically requires firms to review goodwill and intangibles for impairment on an annual basis.

46. On March 11, 2002, WorldCom revealed in a press release that it was under investigation by the SEC and had received a wide-ranging request for documents, including, inter alia, WorldCom's accounting for companies that it had acquired since January 1, 1991. In the release the Company stated that it believed that "all of its policies, practices, and procedures have complied, and continue to comply, with all applicable accounting standards and laws." (3/11/02 WorldCom Press Release).

47. On March 13, 2002, WorldCom partially revealed the extent of its accounting predicament with respect to goodwill and other intangible assets on its balance sheet, revealing in its Annual Report that it expected to record a \$15 to \$20 billion impairment as a result of an ongoing review of its goodwill and other intangible assets.

48. The stock of WorldCom dropped substantially on this announcement, sliding from a close of \$9.19 on March 8, 2002 to close at \$7.37 on March 14, 2002. However, this announcement was only a misleading, partial disclosure of the artificially high carrying value of WorldCom's goodwill and other intangible assets because WorldCom, with the acquiescence of Andersen, continued to announce and report its earnings based on the artificially high carrying values.

49. On March 25, 2002, Business Week reported that the write-downs at WorldCom could be far greater than the \$15-20 billion estimated by WorldCom because the SEC might

force it to write off a much larger portion of its goodwill. If such write-downs exceed \$45 billion, its debt-to-capital ratio will exceed 68%, leaving WorldCom in violation of its loan covenants and possibly leading to a cancellation of WorldCom's \$8 billion bank credit line.

50. On April 25, 2002, WorldCom reported its disappointing results for 1Q 02. The combination of its disappointing results and investor concern regarding the looming SEC investigation drove WorldCom stock into a tailspin. As of April 29, 2002, WorldCom closed at \$2.35 per share.

51. On April 30, 2002, WorldCom announced that Defendant Ebbers had resigned, following an 83 percent plunge in WorldCom's stock price in 2002 alone and after the SEC had commenced an investigation not only into WorldCom's financial practices but into the circumstances surrounding a \$375 million personal loan made to Ebbers by WorldCom.

B. Wrongful Accounting Practices.

52. By reporting earnings based on artificially high carrying values for the Company's goodwill and intangibles, defendants violated Regulation S-X (17 C.F.R. § 210.10-01(a)) which requires that annual reports and interim financial statements comply with GAAP and creates a presumption that financial statements not in compliance with GAAP are misleading and inaccurate.

53. In addition, defendants have violated Section 13(b)(2) of the Exchange Act which requires them to "make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer. . . ."

54. By failing to periodically review and write down, as appropriate, its goodwill and intangible assets, the Company also breached a duty imposed by GAAP as set forth in FASB Statement of Standards No. 121, ¶¶ 5 and 6, which requires the reevaluation of values of assets upon the occurrence of events or changes in circumstances that indicate that the recoverability of the carrying amount of an asset should be assessed, including:

- (a) a significant decrease in the market value of an asset;

(b) a significant change in the extent or manner in which an asset is used or a significant physical change in an asset;

(c) a significant adverse change in legal factors or in the business climate that could affect the value of an asset or an adverse action or assessment by a regulator; and

(d) an accumulation of costs significantly in excess of the amount originally expected to acquire or construct an asset.

55. Widely publicized problems in the telecommunications industry and in WorldCom's acquired business should have indicated to management that WorldCom's goodwill and other intangibles were being carried at values that were materially inflated and not supportable by any acceptable accounting practices. However, defendants failed to review periodically the value of WorldCom's goodwill and intangibles and to adjust and write down the carrying value of same in order to inflate WorldCom's share price by reporting artificially high and materially misleading earnings.

56. On June 25, 2002, WorldCom restated its financial results for 2001 and first quarter 2002, announcing that it had overstated its cash flow by more than \$3.8 billion. Instead of the profit of \$1.4 billion the company reported in 2001 and \$130 million in this year's first quarter, WorldCom announced it lost money during those periods. Additionally, WorldCom announced that it fired Defendant Sullivan after discovering a strategy in which operating costs, such as basic network maintenance, had been booked as capital investments, an accounting gimmick that enabled WorldCom to hid expenses, inflate its cash flow, and report profits instead of losses. Furthermore, WorldCom also announced that it would cut 17,000 employees, or one-fifth of its work force.

CLAIMS FOR RELIEF

Breaches of Fiduciary and Co-Fiduciary Duties in Violation of ERISA, 29 U.S.C. § 1104(a)(1)(A)-(D), 29 U.S.C. § 1105

57. Plaintiff incorporates by reference all preceding paragraphs as if set forth at length herein.

58. The Plan is governed by the provisions of ERISA, 29 U.S.C. § 1001, et seq., and plaintiff and members of the Class are participants in and/or beneficiaries of the Plan. At all times relevant hereto, each defendant was and acted as a fiduciary with respect to the Plan within the meaning of section 3(21)(A) of ERISA, 29 U.S.C. § 1002(21)(A).

59. Plan fiduciaries under ERISA are subject to strict fiduciary duties. Pursuant to section 404(a) of ERISA, a plan fiduciary owes several duties to participants and beneficiaries, including duties of loyalty and prudence.

60. Specifically, a plan fiduciary is required to “discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and...for the exclusive purpose of...providing benefits to participants and its beneficiaries....” 29 U.S.C. § 1104(a)(1)(A). In addition, section 404(a) requires that a plan fiduciary “discharge his duties with respect to a plan solely in the interest of the participants and beneficiaries and...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims....” 29 U.S.C. § 1104(a)(1)(B).

61. ERISA fiduciaries also have a duty to: (i) speak truthfully; (ii) not mislead participants; and (iii) convey complete and accurate information when participants and beneficiaries need such information to effectively exercise their rights under the plan.

62. At all times relevant hereto, each defendant was, and acted as, a co-fiduciary of the other defendants within the meaning of section 405 of ERISA, 29 U.S.C. § 1105. This section states, in relevant part:

In addition to any liability which he may have under any other provision of this part, a fiduciary with respect to a plan shall be liable for a breach of fiduciary responsibility of another fiduciary with respect to the same plan in the following circumstances:

(a) if he participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is a breach;

(b) if, by his failure to comply with section 404(a)(1) in the administration of his specific responsibilities which gave rise to his status as a fiduciary, he has enabled such other fiduciary to commit a breach; or

(c) if he has knowledge of a breach by such other fiduciary, unless he makes reasonable efforts under the circumstances to remedy the breach.

63. Defendants breached their fiduciary duties by:

(a) allowing the Plan's participants the ability to direct the Plan's fiduciaries and administrators to purchase WorldCom stock and have such stock allocated to the participants' individual accounts in exchange for monies they contributed to the Plan as deduction from their salaries. Defendants allowed and, in fact, encouraged Plan participants to purchase WorldCom stock despite their knowledge that, because of the Company's true financial condition, the Company's stock was not a prudent investment option;

(b) misrepresenting that WorldCom stock was under-valued and was a sound investment despite their knowledge of the Company's true financial condition;

(c) failing to conduct an independent investigation into, and by failing to monitor the merits of, investment alternatives available to Plan participants. Defendants breached their duties with respect to WorldCom stock because, by no later than the beginning of the Class Period, defendants could not have reasonably made a determination that Company stock was a suitable investment for the Plan. Indeed, given the non-public adverse information regarding the Company's true financial condition to which defendants were privy, WorldCom stock was plainly an unsuitable investment option for the Plan and Plan participants; and

(d) failing to adequately diversify the investments of the Plan so as to minimize the participants' and beneficiaries' risk of large losses. Too large a percentage of the Plan's assets was allocated to Company stock, particularly given the non-public adverse information regarding WorldCom's financial condition to which defendants were privy.

64. Each defendant knowingly participated in the fiduciary breaches of its co-fiduciaries, enabled its co-fiduciaries to commit such fiduciary breaches by its own failure to

comply with the requirements of section 404(a) of ERISA, and had knowledge of the breaches of its co-fiduciaries and failed to make reasonable efforts to remedy such breaches.

65. But for the defendants' breaches of fiduciary duty, the Plan's assets would not have been invested in WorldCom common stock, but rather these assets would have been allocated toward more profitable alternative investments available to the Plan.

66. As a direct and proximate result of the breaches of fiduciary duty alleged herein, the Plan, and indirectly the Plan's participants and beneficiaries including plaintiff and members of the Class, lost millions of dollars.

67. Pursuant to section 502(a)(2) of ERISA, 29 U.S.C. § 1132(a)(2) and 29 U.S.C. § 1109(a), a plan participant may bring a civil action for appropriate relief under section 409 of ERISA, 29 U.S.C. § 1109. Section 409 provides for "equitable and remedial relief as the court may deem appropriate," and requires any person who breaches his fiduciary duty "to make good to such plan any losses to the plan."

68. But for defendants' breaches of fiduciary duty, participants in the Plan would not have made or maintained investments in WorldCom stock and, where alternative investments were available, would have instead allocated their contributions to the Plan to the most profitable alternative investment available.

69. Plaintiffs seek to restore the value of the Plan's assets to what they would have been if the plan had been improperly administered.

70. Defendants are liable to restore the losses sustained by the Plan, and indirectly, plaintiff and the Plan's other participants and beneficiaries, caused by defendants' breaches of their fiduciary duties.

71. Plaintiff and the Class therefore seek: (a) a monetary payment to the Plan to make good to the Plan the losses to the Plan resulting from the breaches of fiduciary duty alleged above; (b) injunctive and other appropriate equitable relief to remedy the breaches alleged above; (iii) reasonable attorney fees and expenses as provided by ERISA, the common fund doctrine and other applicable law; (d) taxable costs; and (e) interest on these amounts as provided by law.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for relief as follows:

A. That this Court certify this action as a class action under Rule 23 of the Federal Rules of Civil Procedure;

B. That this Court order that each of the defendants is liable to the Plan for violating the duties, responsibilities and obligations imposed on them by ERISA as fiduciaries and co-fiduciaries;

C. That this Court order defendants to pay actual damages to the Plan to be allocated among the Participants' individual accounts in proportion to the accounts' losses;

D. That this Court enjoin defendants from further violating the duties, responsibilities, and obligations imposed upon them as fiduciaries of the Plan;

E. That this Court award to plaintiff reasonable costs and attorneys' fees; and

F. That this Court grant such other relief as may be just and proper.

Dated: June ____, 2002

Respectfully submitted,

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