

IN THE DISTRICT COURT OF OKLAHOMA COUNTY, STATE OF OKLAHOMA

STATE OF OKLAHOMA, )

PLAINTIFF, )

vs. )

WORLDCOM, INC., )

a Georgia corporation, )

FEIN: 58-1521612 )

BERNARD J. EBBERS, )

DOB: 8/27/1941 )

SCOTT D. SULLIVAN, )

DOB: 9/5/1961 )

DAVID F. MYERS, )

DOB: 9/3/1957 )

BUFORD T. YATES, JR., )

DOB: 6/10/1956 )

BETTY L. VINSON, )

DOB: 8/27/1955 )

and )

TROY M. NORMAND, )

DOB: 1/19/1967 )

DEFENDANTS. )

FELONY INFORMATION

Case No.: CF 2003 - \_\_\_\_\_

**COUNT I:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (1) (FELONY)

**COUNT II:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (1) (FELONY)

**COUNT III:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (1) (**FELONY**)

**COUNT IV:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (1) (**FELONY**)

**COUNT V:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (1) (**FELONY**)

**COUNT VI:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (2) (**FELONY**)

**COUNT VII:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (2) (**FELONY**)

**COUNT VIII:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (2) (**FELONY**)

**COUNT IX:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (2) (**FELONY**)

**COUNT X:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (2) (**FELONY**)

**COUNT XI:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (3) (**FELONY**)

**COUNT XII:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (3) (**FELONY**)

**COUNT XIII:**

VIOLATING THE OKLAHOMA SECURITIES ACT  
71 O.S. § 101 (3) (**FELONY**)

**COUNT XIV:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3) (FELONY)**

**COUNT XV:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3) (FELONY)**

In the name and by the authority of the State of Oklahoma:

**COMES NOW** W.A. DREW EDMONDSON, the duly elected, qualified and acting ATTORNEY GENERAL in and for the State of Oklahoma, and on his official oath informs the District Court that:

**COUNT I:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (1)**

On or about the months of January, February and/or March of 2001, in connection with the offer, purchase, or sale of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., directly, and/or indirectly, willfully employed a device, scheme or artifice to defraud investors in the State of Oklahoma and in Oklahoma County in violation of 71 O.S. § 101(1), and against the peace and dignity of the State of Oklahoma, to wit: the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed certain major operating expenses to be capitalized, and caused, directed or allowed said expenses to be materially understated and income to be materially overstated for the fiscal year ended December 31, 2000 in Defendant WORLDCOM, INC.'s publicly available 10-K statement filed with the SEC on the 30<sup>th</sup> day of March, 2001 (amended on the 26<sup>th</sup> day of April, 2001). Defendant EBBERS was at all times relevant the Chief Executive Officer and a member of the Board of Directors of Defendant WORLDCOM, INC. In preparation of the financial statements that were ultimately reflected in the 10-K statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries.

There was no justification in fact or under Generally Accepted Accounting Principles (hereinafter “GAAP”), for the entries. Further, the Defendants were well aware that 1) the results of these entries would be reflected in the 10-K which was required by federal law to be filed with the SEC; 2) the information contained in the 10-K would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.’s securities; and 3) such investors in the State of Oklahoma and Oklahoma County, would be defrauded by the information contained in the 10-K by the offer, purchase or sale of Defendant WORLDCOM, INC.’s securities at artificially inflated prices.

**COUNT II:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (1)**

On or about the months of April and/or May of 2001, in connection with the offer, purchase, or sale of Defendant WORLDCOM, INC.’s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON , CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of WORLDCOM, INC., directly, and/or indirectly, willfully employed a device, scheme or artifice to defraud investors in the State of Oklahoma and Oklahoma County in violation of 71 O.S. § 101(1), and against the peace and dignity of the State of Oklahoma, to wit: the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed certain major operating expenses to be improperly capitalized, and caused, directed or allowed said expenses to be materially understated and income to be materially overstated for the quarter ending March 31, 2001. The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.’s publicly available 10-Q statement filed with the SEC on the 15<sup>th</sup> day of May, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.’s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.’s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q which was required by federal law to be filed with the SEC; 2) the information contained in the 10-Q would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.’s securities; and 3) such

investors in the State of Oklahoma and Oklahoma County, would be defrauded by the information contained in the 10-Q by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT III:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (1)**

On or about the months of July and/or August 2001, in connection with the offer, purchase, or sale of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of WORLDCOM, INC., directly, and/or indirectly, willfully employed a device, scheme or artifice to defraud investors in the State of Oklahoma and in Oklahoma County in violation of 71 O.S. § 101(1), and against the peace and dignity of the State of Oklahoma, to wit: the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed certain major operating expenses to be improperly capitalized, and caused, directed or allowed said expenses to be materially understated and income to be materially overstated for the quarter ending June 30, 2001. The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement filed with the SEC on the 14<sup>th</sup> day of August, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for these entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q which was required by federal law to be filed with the SEC; 2) the information contained in the 10-Q would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors in the State of Oklahoma and Oklahoma County would be defrauded by the information contained in the 10-Q by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT IV:**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**

**71 O.S. § 101 (1)**

On or about the months of October and/or November, 2001, in connection with the offer, purchase, or sale of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON , CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of WORLDCOM, INC., directly, and/or indirectly, willfully employed a device, scheme or artifice to defraud investors in the State of Oklahoma and in Oklahoma County in violation of 71 O.S. § 101(1), and against the peace and dignity of the State of Oklahoma, to wit: the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed certain major operating expenses to be improperly capitalized, and caused, directed or allowed said expenses to be materially understated and income to be materially overstated for the quarter ending September 30, 2001. The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement filed with the SEC on the 14th day of November, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q which was required by federal law to be filed with the SEC; 2) the information contained in the 10-Q would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors in the State of Oklahoma and Oklahoma County would be defrauded by the information contained in the 10-Q by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT V**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (1)**

On or about the months of January, February and/or March of 2002, in connection with the offer, purchase, or sale of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES , CPA, JR., BETTY L. VINSON , CPA and TROY D. NORMAND, who were

at all times relevant hereto, employees of Defendant WORLDCOM, INC., directly, and/or indirectly, willfully employed a device, scheme or artifice to defraud in violation of 71 O.S. § 101(1), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-K statement filed with the SEC on the 13<sup>th</sup> day of March, 2002. In preparation of the financial statements that were ultimately reflected in the 10-K statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-K which was required by federal law to be filed with the SEC; 2) the information contained in the 10-K would be relied upon by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors in the State of Oklahoma and Oklahoma County, in reliance thereon, would be defrauded by the information contained in the 10-K by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT VI**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (2)**

On or about the months of January, February, March and/or April, 2001, in connection with the offer, sale, or purchase of Defendant WORLDCOM's securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., willfully, directly or indirectly, made an untrue statement of material fact or omitted a material fact which was necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading in violation of in violation of 71 O.S. § 101(2), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-K statement for the year ending December 31<sup>st</sup>, 2000 filed with the Securities and Exchange Commission on the 30<sup>th</sup> day of March, 2001 and amended on the 26<sup>th</sup> day of April, 2001. 10-K statements are, and have historically been, relied upon by the investing public including the investing public of the State of Oklahoma and Oklahoma

County. In preparation of the financial statements that were ultimately reflected in the 10-K filing referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and/or capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. Pursuant to GAAP, as well as historic accounting practices of Defendant WORLDCOM, INC., costs associated with the lease of telecommunication lines of other carriers which were credited as capital expenses should have been debited against current expenses. There was no justification in fact or under GAAP for the entries which were untrue statements of material fact which were false and misleading.

**COUNT VII**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (2)**

On or about the months of April and/or May of 2001, in connection with the offer, sale, or purchase of Defendant WORLDCOM's securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., willfully, directly or indirectly, made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading in violation of 71 O.S. § 101(2), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending March 31, 2001 filed with the Securities and Exchange Commission on the 15th day of May, 2002. 10-Q statements are, and have historically been, relied upon by the investing public including the investing public of the State of Oklahoma and Oklahoma County. In preparation of the financial statements that were ultimately reflected in the 10-Q filing referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and/or capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. Pursuant to GAAP,



as well as historic accounting practices of Defendant WORLDCOM, INC., costs associated with the lease of telecommunication lines of other carriers which were credited as capital expenses should have been debited against current expenses. There was no justification in fact or under GAAP for the entries which were untrue statements of material fact which were false and misleading.

**COUNT VIII**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (2)**

On or about the months of July and/or August of 2001, in connection with the offer, sale, or purchase of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., willfully, directly or indirectly, made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading, in violation of 71 O.S. § 101(2), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending June 30, 2001 filed with the Securities and Exchange Commission on the 14<sup>th</sup> day of August, 2001. Such statements are, and have historically been, relied upon by the investing public including the investing public of the State of Oklahoma and Oklahoma County. In preparation of the financial statements that were ultimately reflected in the 10-Q filing referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and/or capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. Pursuant to GAAP, as well as historic accounting practices of Defendant WORLDCOM, INC., costs associated with the lease of telecommunication lines of other carriers which were credited as capital expenses should have been debited against current expenses. There was no justification in fact or under GAAP for the entries which were untrue statements of material fact which were false and misleading.

**COUNT IX**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (2)**

On or about the months of October and November of 2001, in connection with the offer, sale, or

purchase of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., willfully, directly or indirectly, made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading in violation of 71 O.S. § 101(2), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending June 30, 2001 filed with the Securities and Exchange Commission on the 14<sup>th</sup> day of November, 2001. 10-Q statements are, and have historically been, relied upon by the investing public including the investing public of the State of Oklahoma and Oklahoma County. In preparation of the financial statements that were ultimately reflected in the 10-Q filing referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and/or capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. Pursuant to GAAP, as well as historic accounting practices of Defendant WORLDCOM, INC., costs associated with the lease of telecommunication lines of other carriers which were credited as capital expenses should have been debited against current expenses. There was no justification in fact or under GAAP for the entries which were untrue statements of material fact which were false and misleading.

**COUNT X**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (2)**

On or about the months of January, February March and/or April of 2001, in connection with the offer, sale, or purchase of Defendant WORLDCOM, INC.'s securities, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., willfully, directly or indirectly, made an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading, in violation of 71 O.S. § 101(2), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings

in Defendant WORLDCOM, INC.'s publicly available 10-K statement filed with the Securities and Exchange Commission on the 13<sup>th</sup> day of March, 2002. 10-K statements are, and have historically been, relied upon by the investing public including the investing public of the State of Oklahoma and Oklahoma County. In preparation of the financial statements that were ultimately reflected in the 10-K filing referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and/or capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. Pursuant to GAAP, as well as historic accounting practices of Defendant WORLDCOM, INC., costs associated with the lease of telecommunication lines of other carriers which were credited as capital expenses should have been debited against current expenses. There was no justification in fact or under GAAP for the entries which were untrue statements of material fact which were false and misleading.

**COUNT XI**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3)**

On or about the months of January, February, March and/or April of 2001, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., in connection with the offer, sale, or purchase of any security, willfully, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person in violation of 71 O.S. § 101(3), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, directly, and/or indirectly, caused, directed or allowed the employment of a scheme to defraud investors of the State of Oklahoma, and Oklahoma County, by reporting reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-K statement for the year ending December 31, 2000 filed with the Securities and Exchange Commission on the 30<sup>th</sup> day of March, 2001 and amended on the 26<sup>th</sup> day of April, 2001. In preparation of the financial statements that were ultimately reflected in the 10-K statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM's general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor

Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-K annual report which was required by federal law to be the Securities and Exchange Commission; 2) the information contained in the 10-K would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors would be deceived by the information contained in the 10-K by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT XII**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3)**

On or about the months of April and/or May of 2001, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, CPA, DAVID F. MYERS, CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON, CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., in connection with the offer, sale, or purchase of any security, willfully, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person in violation of 71 O.S. § 101(3), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending March 31, 2001 filed with the Securities and Exchange Commission on the 15<sup>th</sup> day of May, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q quarterly report which was required by federal law to be the Securities and Exchange Commission; 2) the information contained in the 10-Q would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors would be deceived by the information contained in the 10-Q by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT XIII**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3)**

On or about the months of July and/or August of 2001, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON , CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., in connection with the offer, sale, or purchase of any security, willfully, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person in violation of 71 O.S. § 101(3), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending June 30, 2001 filed with the Securities and Exchange Commission on the 14<sup>th</sup> day of August, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q quarterly report which was required by federal law to be the Securities and Exchange Commission; 2) the information contained in the 10-Q would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors, in reliance thereon, would be deceived by the information contained in the 10-Q by the offer, purchase of sale Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT XIV**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3)**

On or about the months of October and/or November of 2001, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON , CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., in connection with the offer, sale, or purchase of any security, willfully, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person in violation of 71

O.S. § 101(3), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, reported reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-Q statement for the quarter ending September 31, 2001 filed with the Securities and Exchange Commission on the 14<sup>th</sup> day of November, 2001. In preparation of the financial statements that were ultimately reflected in the 10-Q statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM's general ledger, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-Q quarterly report which was required by federal law to be the Securities and Exchange Commission; 2) the information contained in the 10-Q would be relied upon by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors, in reliance thereon, would be deceived by the information contained in the 10-Q by offering, purchasing or selling Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

**COUNT XV**  
**VIOLATING THE OKLAHOMA SECURITIES ACT**  
**71 O.S. § 101 (3)**

On or about the months of January, February and/or March, 2002, the Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN , CPA, DAVID F. MYERS , CPA, BUFORD T. YATES, JR., CPA, BETTY L. VINSON , CPA and TROY D. NORMAND, who were at all times relevant hereto, employees of Defendant WORLDCOM, INC., in connection with the offer, sale, or purchase of any security, willfully, directly or indirectly, engaged in an act, practice, or course of business which operated or would operate as a fraud or deceit upon any person in violation of 71 O.S. § 101(3), and against the peace and dignity of the State of Oklahoma, to wit: The Defendants, WORLDCOM, INC., BERNARD J. EBBERS, SCOTT D. SULLIVAN, DAVID F. MYERS, BUFORD T. YATES, JR., BETTY L. VINSON and TROY D. NORMAND, caused, directed or allowed the reporting of reduced expenses and increased earnings in Defendant WORLDCOM, INC.'s publicly available 10-K statement filed with the Securities and Exchange Commission on the 13<sup>th</sup> day of March, 2002. In preparation of the financial statements that were ultimately reflected in the 10-K statement referenced above, Defendant SULLIVAN instructed Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to make journal entries crediting certain expense accounts. To make these entries balance on Defendant WORLDCOM, INC.'s general ledger, Defendant SULLIVAN instructed

Defendant MYERS, who in turn directly or indirectly instructed Defendants YATES, VINSON and NORMAND, to debit, in amounts corresponding to the expense credits, various reserve and capital accounts on Defendant WORLDCOM, INC.'s balance sheet. Neither Defendant SULLIVAN, nor Defendant MYERS provided Defendants YATES, VINSON or NORMAND with any supporting documentation or any proper business rationale for the entries. There was no justification in fact or under GAAP for the entries. Further, the Defendants were well aware that 1) the results of entries would be reflected in the 10-K annual report which was required by federal law to be the Securities and Exchange Commission; 2) the information contained in the 10-K would be used by investors in the State of Oklahoma and Oklahoma County during the course of the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities; and 3) such investors would be deceived by the information contained in the 10-K by the offer, purchase or sale of Defendant WORLDCOM, INC.'s securities at artificially inflated prices.

I have examined the facts in this case and recommend that warrants be issued this 27<sup>th</sup> day of August, 2003.

**W.A. DREW EDMONDSON  
ATTORNEY GENERAL**

By: \_\_\_\_\_  
Debra C. Paz, OBA No. 16353  
Thomas A. Bates, OBA NO. 15672  
ASSISTANT ATTORNEYS GENERAL  
4545 N. Lincoln Blvd., Suite 260  
Oklahoma City, Oklahoma 73105  
Assistant Attorney General  
4545 N. Lincoln Blvd., Suite 260  
Oklahoma City, Oklahoma 73105-3498  
(405) 522-0071  
(405) 522-0085 facsimile  
and  
Melanie Hall, OBA No. 1209  
Deputy Administrator  
Oklahoma Department of Securities  
and Special Assistant Attorney General  
120 N. Robinson, Suite 860  
First National Center  
Oklahoma City, OK 73102  
(405) 280-7700

**Violation & Penalty**

**COUNTS I - V**

**71 O.S. § 101 (1)**

Not exceeding 10 years and/or

Not exceeding \$10,000 fine

**COUNTS VI - X**

**71 O.S. § 101 (2)**

Not exceeding 10 years and/or

Not exceeding \$10,000 fine

**COUNTS XI - XV**

**71 O.S. § 101 (3)**

Not exceeding 10 years and/or

Not exceeding \$10,000 fine



**STATE OF OKLAHOMA**            )  
  ) **ss**  
**COUNTY OF OKLAHOMA**        )

Debra C. Paz, Assistant Attorney General, being first duly sworn upon oath, states that she has read the within and foregoing Information, knows the contents thereof, and the matters and things therein alleged are true and correct to the best of her knowledge and belief.

\_\_\_\_\_  
DEBRA C. PAZ

SUBSCRIBED AND SWORN to before me this 27<sup>th</sup> day of August, 2003.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:  
\_\_\_\_\_

NAMES AND ADDRESSES OF PROSECUTION WITNESSES

**Bernard J. Ebbers**

P.O. Box 701  
Brookhaven MS 39602

c/o Reid H. Weingarten, Esq.  
Steptoe & Johnson, LLP  
1330 Connecticut Avenue NW  
Washington, DC 20036

**Scott D. Sullivan**

6318 Woodbury Road  
Boca Raton, FL 33433

c/o Irvin B. Nathan, Esq.  
Arnold & Porter  
Thurman Arnold Building  
555 12<sup>th</sup> Street NW  
Washington, DC 20004

**David F. Myers**

202 Ashton Pl  
Madison, MS 39110

c/o N. Richard Janis, Esq.  
Janis, Schuelke & Wechsler  
1728 Massachusetts Avenue NW  
Washington, DC 20036

**Buford T. Yates**

108 Redbud Dr.  
Brandon, MS 39047

c/o David Schertler, Esq.  
Coburn & Schertler  
1150 18<sup>th</sup> Street SW, Suite 850  
Washington, DC 20036  
Betty L. Vinson

**Troy M. Normand**

150 Park Circle Dr., Apt. 684  
Flowood, MS 39232

c/o Joe M. Holloman, Esq.

Holloman Law  
107 N. State Street  
P.O. Box 22683  
Jackson, MS 39255  
Cindy Cooper

**Betty L. Vinson**  
53 Chestnut Drive  
Madison, MS 39110

c/o Joe M. Holloman  
Holloman Law  
107 N. State Street  
Jackson, MS 39225

**Lori B. Bynum**  
Investigator  
Oklahoma Department of Securities  
First National Center  
Suite 860  
120 North Robinson  
Oklahoma City, OK 73102

**Tom Spencer, Executive Director**  
Oklahoma Public Employees Retirement System (OPERS)  
Kirk Stebbins, Chief Investment Officer  
6601 N. Broadway Extension, Suite 129  
Oklahoma City, OK 73116

**Patrick Moore**  
Metropolitan West Asset Management  
11766 Wilshire Boulevard, Suite 1580  
Los Angeles, CA 90025

Robert Capaldi  
BlackRock Financial Management, Inc  
40 E 52nd Street  
New York, NY 10022

**Catherine Williams**  
Northern Trust Global Investments  
50 S LaSalle Street, B-8  
Chicago, IL 60675

**Robert J. Wallace, Executive Director**

Oklahoma Police Pension and Retirement System  
1001 NW 63rd Street, Suite 305  
Oklahoma City, OK 73116

**Dick Forster**

Mellon Capital Management Corp  
595 Market Street, Suite 3000  
San Francisco, CA 94105

**Lana M. Jordan**

Montag & Caldwell Investment Counsel  
3455 Peachtree Road, NE, Suite 1200  
Atlanta, GA 30326

**John Edwards**

Oaktree Capital Management, LLC  
333 South Grand Ave, 28th Floor  
Los Angeles, CA 90071

**Brad Coats**

Agincourt Capital Management, LLC  
600 E Main Street, Suite 2120  
Richmond, VA 23219

**Tommy C. Beavers, Executive Secretary**

Oklahoma Teachers Retirement System of Oklahoma  
2500 N. Lincoln Boulevard, Room 500  
Oklahoma City, OK 73105

**Bill Puckett, Director of Investments**

Oklahoma Teachers Retirement System of Oklahoma  
2500 N Lincoln Boulevard, Room 500  
Oklahoma City, OK 73105

**Kristen L. Ford**

Northern Trust Global Investments (for Deutsche Asset Management)  
50 S LaSalle Street, M-23  
Chicago, IL 60675

**Syd Goff**

Goldman Sachs  
2502 Rocky Poiny Drive. Suite 500  
Tampa, FL 33607

**William B. Gerlach**

Morgan Stanley Dean Witter  
One Tower Bridge  
West Conshohocken, PA 19428-2899

**Gregory D. Curran**  
Mellon Bond Associates  
One Mellon Center, Suite 5400  
Pittsburgh, PA 15258-0001

**Peter W. Palfrey**  
Loomis, Sayles  
One Financial Center  
Boston, MA 02111

**Kristen Monson**  
Pimco  
840 Newport Center Drive, Suite 300  
Newport Beach, CA 92660

**Expert Witness**  
To be named at a later date