

IN THE CIRCUIT COURT
OF THE CITY OF ST. LOUIS,
STATE OF MISSOURI

FILED
JUN 26 2009

MARIANO V. FAVAZZA
CLERK, CIRCUIT COURT
BY _____ DEPUTY

STATE OF MISSOURI, at the relation and)
to the use of the CITY COLLECTORS OF)
WELLSTON and WINCHESTER, MISSOURI;)
CITY OF UNIVERSITY CITY, MISSOURI;)
CITY OF WELLSTON, MISSOURI; and)
CITY OF WINCHESTER, MISSOURI;)

On behalf of themselves and all)
others similarly situated,)

Plaintiffs,)

v.)

SBC COMMUNICATIONS, INC. n/k/a AT&T,)
INC.; SBC LONG DISTANCE INC., f/k/a)
SBC COMMUNICATIONS SERVICES, INC.;)
SOUTHWESTERN BELL TELEPHONE, L.P.,)
d/b/a SBC MISSOURI and AT&T MISSOURI;)
and SBC LONG DISTANCE, LLC;)

Defendants.)

Cause No. 044-02645

Division No. 31

PRELIMINARY APPROVAL ORDER

WHEREAS, Plaintiffs and Class Representatives City of University City, Missouri, City of Wellston, Missouri, and City of Winchester, Missouri on behalf of the Settlement Class (as certified below) (collectively "Plaintiffs") and Defendants and their subsidiaries AT&T Messaging, Inc., American Information Technologies Corporation (Nevada), American Telephone and Telegraph Company, Ameritech Information Industry Services, Inc., Ameritech Publishing, Inc., Ameritech Services, Inc., AT&T Advanced Solutions, Inc. (now merged into AT&T Corp.), AT&T Advertising, L.P., AT&T Broadband Services Purchasing and Leasing, LLC, AT&T Capital Holdings International, Inc., AT&T Capital Holdings, Inc., AT&T Capital Services, Inc., AT&T

Communications - East, Inc., AT&T Communications of the Southwest, Inc., AT&T Consulting Solutions, Inc., AT&T Corp., AT&T Credit Holdings, Inc., AT&T DataComm, Inc., AT&T Foundation, AT&T Global Network Services, LLC, AT&T Government Solutions, Inc., AT&T Information Systems, Inc., AT&T Labs, Inc., AT&T Management Services, L.P., AT&T Messaging, LLC, AT&T Network Procurement, L.P., AT&T Operations, Inc., AT&T Services, Inc., AT&T Solutions, Inc., AT&T Technical Services Company, Inc., AT&T Technologies, Inc., AT&T Video Services, Inc., Bell South Long Distance, Inc. d/b/a AT&T Long Distance Service, L.M. Berry & Company, Missouri Bell Telephone Company, Pacific Bell Telephone Company, Resort WiFi Operating Corp., SBC Asset Management, Inc., SBC Global Services, Inc., SBC Internet Services, Inc., SBC Telecom, Inc., SBC Tower Holdings, LLC, SBCSI Purchasing & Leasing Limited Partnership, SNET of America, Inc. d/b/a AT&T Long Distance East, Southwestern Bell Yellow Pages, Inc., Southwestern Bell Yellow Pages Resources, Inc., Sterling Commerce (America), Inc., Sterling Commerce, Inc., SWBT Purchasing & Leasing Limited Partnership, TCG America, Inc., TCG Kansas City, Inc., TCG St. Louis, Inc., Teleport Communications Group Inc., Wayport, Inc., and YellowPages.com, LLC (collectively "Defendants") have reached a settlement and compromise of the disputes between them in the above-captioned action, which is embodied in the Settlement Agreement, dated June 26, 2009, filed with the Court;

WHEREAS, the parties have applied to the Court for preliminary approval of the proposed Settlement of the Action;

AND NOW, the Court having read and considered the Settlement Agreement and accompanying documents, and the parties to the Settlement Agreement having consented to the entry of this Order, IT IS HEREBY ORDERED AS FOLLOWS:

1. The capitalized terms used in this Preliminary Approval Order shall have the same meaning as defined in the Settlement Agreement except as may otherwise be ordered.

2. Subject to further consideration by the Court at the time of the Final Fairness Hearing, the Court preliminarily approves the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, as falling within the range of possible final approval, and as meriting submission to the Settlement Class for their consideration.

3. For purposes of the Settlement only, the Court hereby certifies a Settlement Class consisting of all Municipalities in the State of Missouri that, on or before June 26, 2009, have imposed a Business License Tax and in which AT&T Missouri or SBC Long Distance, LLC derived gross receipts from the provision of telephone, exchange telephone, public utility, or telecommunications services, or related services. Excluded from the Settlement Class is the City of Springfield, Missouri.

4. The Court hereby finds, for purposes of effectuating the Settlement, that each element for certification of the Settlement Class pursuant to Missouri Rule of Civil Procedure 52.08 is met: (a) the members of the Settlement Class are so numerous that joinder of all Settlement Class members in the litigation is impracticable; (b) there are questions of law and fact common to the Settlement Class which predominate over any individual questions; (c) the claims of Plaintiffs are typical of the claims of the Settlement

Class; (d) Plaintiffs and their counsel have fairly and adequately represented and protected the interests of all Settlement Class members; (e) the prosecution of separate actions by or against individual members of the Settlement Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Settlement Class; (f) the parties opposing the Settlement Class have acted or refused to act on grounds generally applicable to the class, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the Settlement Class as a whole; (g) questions of law or fact common to members of the Settlement Class predominate over any questions affecting individual members; and (h) a class action is superior to other available methods for fair and efficient adjudication of the controversy.

5. The Court hereby appoints Plaintiffs, City of University City, Missouri, City of Wellston, Missouri, and City of Winchester, Missouri, as representatives of the Settlement Class.

6. Plaintiffs' Class Counsel are authorized to act on behalf of the Settlement Class with respect to all acts required by, or which may be given pursuant to, the Settlement Agreement or such other acts which are reasonably necessary to consummate the proposed settlement set forth in the Settlement Agreement.

7. A Final Fairness Hearing shall be held before this Court at 9:30 a.m. on November 2nd, 2009, in Division 16 of the Circuit Court for St. Louis City, State of Missouri, to address: (a) whether the proposed Settlement should be finally approved as fair, reasonable and adequate; (b) whether a final Order and Judgment of Dismissal should be entered; (c) whether Class Counsel's attorneys' fees and expense

application should be approved; (d) objections, if any, to the Settlement; and (e) any other matters the Court deems appropriate.

8. With the exception of such proceedings as are necessary to implement, effectuate and grant final approval to the terms of the Settlement Agreement, all proceedings related to Defendants are stayed in this Action and all Municipalities (except Springfield, Missouri) are enjoined from commencing or continuing any action or proceeding in any court or tribunal asserting any claims encompassed by the Settlement Agreement unless the Municipality files a valid and timely Request for Exclusion.

9. The Court approves, as to form and content, the Notice and the Claim Form, in the forms attached as Exhibits A and B to the Settlement Agreement. On or before ~~twenty~~ *twenty-one* days after entry of this Order, Defendants are directed to send the Notice and the Claim Form to all Missouri municipalities by first class United States mail, postage prepaid, to their last known address.

10. As set forth in the Settlement Agreement, Class Counsel is directed to assist Defendants in identifying the name and address of each Missouri municipality.

11. Defendants shall file a declaration of compliance with the requirements of Paragraph 9 on or before July 21, 2009.

12. The Court finds that the parties' plan for providing notice to the Missouri municipalities (the "**Notice Plan**") described in Section III of the Settlement Agreement constitutes the best notice practicable under the circumstances and shall constitute due and sufficient notice to the Missouri municipalities of the pendency of the Action, preliminary certification of the Settlement Class, the terms of the Settlement Agreement, and the Final Fairness Hearing, and complies fully with the requirements of Missouri

Rule of Civil Procedure 52.08, the Constitution of the State of Missouri, the United States Constitution, and all other applicable laws, and constitutes due and sufficient notice to all persons entitled to receive notice.

13. The Court further finds that the Notice Plan described in Section III of the Settlement Agreement will adequately inform the Missouri municipalities of their right to exclude themselves from the Settlement Class so as not to be bound by the terms of the Settlement Agreement. Any Municipality that desires to be excluded from the Settlement Class, and therefore not be bound by the terms of the Settlement Agreement, must mail to a designated address, pursuant to the instructions set forth in the Notice, a timely and valid written Request for Exclusion bearing a United States postmark no later than forty-five (45) days after the Notice has been sent to the Municipality. On or before September 21, 2009, Defendants shall prepare and send to the Court, with copies to Class Counsel and Defendants' Counsel, a Report on Requests for Exclusions and a Report on Municipalities Ineligible to Receive Settlement Class Relief as set forth in Sections IV.B and IV.C of the Settlement Agreement.

14. In order to be valid, a Request for Exclusion must: (1) be signed personally by the duly authorized representative of the Municipality; (2) be timely mailed to the designated address; (3) clearly request exclusion from the Settlement Class; and (4) contain the name, address, and telephone number of the duly authorized representative of the Municipality. Any Municipality that elects to be excluded shall not be entitled to receive any of the benefits of the Settlement, shall not be bound by the release of any claims pursuant to the Settlement Agreement, and shall not be entitled to object to the Settlement or appear at the Final Fairness Hearing. The names and addresses of all

Municipalities timely submitting valid Requests for Exclusion shall be provided to the Court.

15. All Municipalities that have not, by August ³¹~~28~~, 2009, submitted a valid and timely Request for Exclusion in the manner set forth in Paragraph 14 of this Order shall be Class Members and shall be bound by the terms of the Settlement Agreement and the Order and Judgment of Dismissal, regardless of whether or not they timely file a valid Claim Form, and any and all such Class Members shall be conclusively deemed to have fully and finally released Defendants from any and all of the Released Claims.

16. Any Class Member may object to the Settlement Agreement, to Class Counsel's application for attorneys' fees and expenses, or to the proposed Order and Judgment of Dismissal. Any such Class Member shall have the right to appear and be heard at the Final Fairness Hearing, either personally or through an attorney retained at the Class Member's own expense. Any such Class Member must file with the Court and serve on Class Counsel and Defendants' Counsel, postmarked no later than forty-five (45) days after the date of the mailing of the Notice, a written notice of intention to appear together with supporting papers including a detailed statement of the specific objections made. Any member of the Settlement Class that validly and timely submits a Request for Exclusion from the Settlement Class may not object to the Settlement Agreement, to Class Counsel's application for attorneys' fees and expenses, or to the proposed Order and Judgment of Dismissal.

17. Service of all papers on counsel for the parties shall be made as follows: for Class Counsel, to John W. Hoffman and Douglas R. Sprong, Korein Tillery, LLC, 505 N. 7th Street, Suite 3600, St. Louis, MO 63101; John F. Mulligan, Jr., 1600 South

Hanley, Suite 101, Richmond Heights, MO 63144; and Howard Paperner, 9322 Manchester Road, St. Louis, MO 63119; for Defendants' Counsel, to John F. Medler, Jr., AT&T Legal Department, One AT&T Center, Room 3558, St. Louis, MO 63101; and Stephen B. Higgins, Amanda J. Hettinger, Sharon Rosenberg, and Ann Ahrens Beck, Thompson Coburn, LLP, One US Bank Plaza, St. Louis, MO 63101. Only Class Members that have filed and served valid and timely notices of intention to appear, together with supporting papers, shall be entitled to be heard at the Final Fairness Hearing, along with their own counsel.

18. Any Class Member that does not make an objection in the time and manner provided in the Notice shall be deemed to have waived such objection and forever shall be foreclosed from making any objection to the fairness or adequacy of the proposed settlement as incorporated in the Settlement Agreement, the payment of attorneys' fees and expenses, or the Order and Judgment of Dismissal.

19. Any Class Member that is entitled to and wishes to receive a Back Tax Payment as provided for in the Settlement Agreement must sign and timely return a valid Claim Form in accordance with the Settlement Agreement. Any Class Member that does not request exclusion in the manner set forth in Paragraph 14 of this Preliminary Approval Order, and that, despite being entitled to submit a Claim Form, does not timely submit a valid Claim Form, shall not be entitled to receive any Back Tax Payment under the Settlement Agreement, but, in any case, shall be: (a) barred and enjoined from asserting any of the Released Claims against the Defendants; (b) conclusively deemed to have released any and all of the Released Claims as against the Defendants; and (c)

subject to and bound by the terms of the Settlement Agreement and the provisions of this Preliminary Approval Order and the Final Order and Judgment of Dismissal.

20. In the event the proposed Settlement does not become Final, or in the event the Settlement Agreement becomes null and void pursuant to its terms, this Preliminary Approval Order and all orders entered in connection therewith shall become null and void, shall be of no further force and effect, and shall not be used or referred to for any purposes whatsoever in this civil action or in any other case or controversy; in such event, the Settlement Agreement and all negotiations and proceedings directly related thereto shall be deemed to be without prejudice to the rights of any and all of the parties, who shall be restored to their respective positions as of the date of the Settlement Agreement.

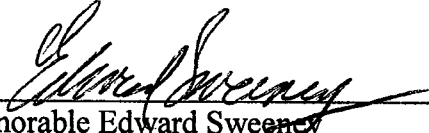
21. No later than seven (7) calendar days before the Final Fairness Hearing, all briefs supporting the Settlement Agreement, the request for attorneys' fees and costs, and all papers in response to objections to any of the foregoing, shall be served and filed.

22. Neither the Settlement Agreement nor the Notice, nor any act performed or document executed pursuant to or in furtherance of the Settlement Agreement or the Notice: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of any Plaintiffs' or Defendants' Released Claims, or of any wrongdoing or liability of Defendants; or (ii) is or may be deemed to be, or may be used as, an admission, or evidence of, any fault or omission of any of Defendants in any civil, criminal, or administrative proceeding in any court, administrative agency or other tribunal.

23. The Court may, for good cause, extend any of the deadlines set forth in this Preliminary Approval Order without further notice to the Settlement Class. The Final Fairness Hearing may, from time to time and without further notice to the Settlement Class, be continued by order of the Court. The Court may consider modifications of the Settlement without further notice to the Settlement Class.

IT IS SO ORDERED.

Dated June 26, 2009



Honorable Edward Sweeney
Judge of the Circuit Court for St. Louis City