

# Technology Law Group, L.L.C.<sup>SM</sup>

## *SNAP UPdate*<sup>SM</sup>

### *Special Alert*

*Carrier Worries Heighten:  
Qwest May Be Subject Of Criminal Investigation  
Federal Court Appoints Former SEC Chairman To Monitor  
WorldCom*

*Washington, DC, July 5, 2002.* In today's edition, the Wall Street Journal, citing unnamed sources, reported that the United States Department of Justice had launched a criminal investigation into Qwest. The exact subject matter of the investigation was not identified in the story. As you likely know, Qwest is already the subject of a Securities and Exchange Commission investigation. Responding to this report, Qwest said it had no reason to believe that the company is subject of any such investigation

In the ongoing WorldCom saga, a federal judge appointed former Securities and Exchange Commission Chairman Richard Breeden as corporate monitor of the civil fraud case against WorldCom. At a hearing Wednesday, District Judge, Jed S. Rakoff, named Breeden to oversee payments made to the company's board, executive officers and employees. Among other things, it is Breeden's responsibility to prevent unjustified payouts by WorldCom to these individuals as the SEC's fraud case gets under way. The judge set March 31 as a tentative starting date for the SEC's suit against WorldCom.

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These events highlight the extreme problems and financial jeopardy that Qwest and WorldCom face. If you currently do business with either of these companies, you would be well advised to review your agreements and to fully understand your rights and obligations in the event of a bankruptcy filing or other disruption of service. You may also want to consider securing service arrangements with alternative carriers.

If you would like additional information on these issues, or would like to better understand the effect of a bankruptcy filing on your services or agreements, please do not hesitate to contact us.

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*Technology Law Group is a telecommunications law firm serving the distinctive strategic, regulatory, litigation and transactional issues faced by growing telecommunications and technology companies. TLG is dedicated to personal service and to providing high quality legal and consulting services that enable clients meet their business objectives.*

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