

UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND

CHAMBERS OF
J. FREDERICK MOTZ
UNITED STATES DISTRICT JUDGE

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BALTIMORE, MARYLAND 21201
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October 18, 2004

Re: MDL-1586- *In re Mutual Funds Investment Litigation* (all tracks)

Dear Counsel:

This will confirm several of the matters discussed during the monthly telephone conference held on October 14, 2004.

1. In light of the fact that numerous new defendants have been named in the amended complaints, many of which fall into two new categories (described by the plaintiffs as “Timers” and “Facilitators”), the briefing schedule on the motions to dismiss is suspended. Time must be given for the newly added defendants to be served and for a coordination process for the new categories of defendants to be established. My colleagues and I expect (and we understand you agree) that a new schedule regarding motions to dismiss can be set no later than 60 days from now.

2. The hearing scheduled for January 21, 2005 is canceled. However, the hearing on February 28, 2005 that had been scheduled on the motions to dismiss will be converted to a hearing on the discovery issues. You will confer with one another and shortly submit to us a proposed briefing schedule on those issues. It is contemplated that defendants will be able to submit their memoranda in late November or early December. Again, the delay is caused by the fact that some degree of coordination between existing defendants and newly added defendants will be necessary on the discovery issues.

3. The date for the next monthly conference call is changed from November 11, 2004 to Tuesday, November 16, 2004. The conference call will take place at 4:30 p.m. (Eastern time).

The substantial expansion of this litigation by the addition of new categories of defendants in the amended complaints does not change our view that the litigation should be conducted in an efficient and businesslike fashion. We understand that some of the legal issues are difficult, and it certainly is proper for plaintiffs to pursue claims against anyone they believe is potentially liable. However, if wrongdoing occurred, the focus should be on identifying the wrongdoers and economically compensating persons who were damaged by their conduct. Particularly in light of the increased complexity of the proceedings caused by the amended complaints, counsel who anticipate they might someday be seeking our approval for fees and costs should maintain records that differentiate among the various categories of claims asserted against various defendants. The opening of new fronts in this conflict does not justify a failure to seek a diplomatic and constructive resolution.

Very truly yours,

/s/

J. Frederick Motz
United States District Judge