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Presentment Date: January 31, 2003
Time: 12:00 p.m.
Objection Deadline: January 30, 2003
Time: 12:00 p.m.

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In re: 101-12655-260
101-12658-260
PT-1 Communications, Inc. 101-12660-260
PT-1 Long Distance, Inc.
PT-1 Technologies, Inc., Chapter 11
Debtors. Jointly Administered

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NOTICE OF PRESENTMENT OF STIPULATION AND ORDER

PLEASE TAKE NOTICE that the undersigned will present the annexed Stipulation and Order (the "Proposed Order") dated December 30, 2002 between PT-1 Communications Inc., PT-1 Long Distance, Inc. and PT-1 Technologies, Inc. (the "Debtors") and the Official Committee of Unsecured Creditors of the Debtors (the "Committee") for signature to the Honorable Conrad B. Duberstein, Chief United States Bankruptcy Judge, on **January 31, 2003 at 12:00 p.m.**

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Proposed Order must be made in writing and received in the Chambers of the Honorable Conrad B. Duberstein, Chief United States Bankruptcy Judge, United States Bankruptcy Court, 75 Clinton Street, Brooklyn, New York 11201 and by the undersigned and shall be filed with the Clerk of the Bankruptcy

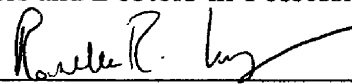
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Court, no later than 12:00 p.m. on January 30, 2003. Unless objections are received by that time, the Proposed Order may be signed and entered without a hearing.

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed, the Court will notify the moving and objecting parties of the date and time of the hearing and the moving party's obligation to notify all other parties entitled to receive notice. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

Dated: New York, New York
January 21, 2003

ANGEL & FRANKEL, P.C.
Attorneys for PT-1 Communications, Inc.,
PT-1 Long Distance, Inc. and
PT-1 Technologies, Inc.,
Debtors and Debtors-in-Possession

By: 
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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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| | |
|---------------------------|----------------------|
| In re: | 101-12655-260 |
| | 101-12658-260 |
| PT-1 COMMUNICATIONS, INC. | 101-12660-260 |
| PT-1 LONG DISTANCE, INC. | |
| PT-1 TECHNOLOGIES, INC., | Chapter 11 |
| | |
| Debtors. | Jointly Administered |

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STIPULATION AND ORDER

This Stipulation is executed as of this 30th day of December, 2002, by and between PT-1 Communications Inc., PT-1 Long Distance, Inc., and PT-1 Technologies, Inc. (collectively, the "Debtors") and the Official Committee of Unsecured Creditors of the Debtors (the "Committee"), through their respective undersigned attorneys.

RECITALS

WHEREAS, on March 9, 2001 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York; and

WHEREAS, on March 13, 2002, the Honorable Carla Craig entered an order authorizing the Debtors to retain Angel & Frankel, P.C. as their counsel, effective as of the Petition Date; and

WHEREAS, on March 23, 2001, the United States Trustee appointed the Committee, which selected McCarter & English, LLP as its counsel; and

WHEREAS, on June 5, 2001, the Court entered an order fixing August 31, 2001 as the bar date for the filing of claims against the Debtors' estates (the "Bar Date"); and

WHEREAS, certain claims have been filed against the Debtors' estates (the "Claims", or individually, a "Claim"); and

WHEREAS, the Debtors and the Committee (jointly, the "Parties") believe that there exists a mutuality of interest in a common defense against, and objection to, certain Claims that have been filed against the Debtors' estates; and

WHEREAS, the Parties desire to encourage the free and candid exchange of information among counsel, in confidence, relating to the Claims; and

WHEREAS, the common purposes and mutual benefits to be realized by this Stipulation include, but are not limited to, review and analysis of information related to Claims, enabling counsel to the Parties to cooperate in the filing of objections to certain Claims, enabling counsel to monitor the direction and progress of litigation related to objections to Claims, minimizing the cost of their representations, and preserving, to the fullest extent possible, the work product doctrine and attorney-client, trade secret, joint defense and other applicable privileges (the "Privileges"); and

WHEREAS, the disclosure of information between the Parties relating to the validity of any Claim is not expected or intended to act as a waiver of any applicable Privileges or other protections from disclosure to third parties; and

WHEREAS, it is the Parties' understanding and intent that information obtained by the Parties or their counsel as a result of the joint defense against or objections to Claims will not be disclosed to third parties without the written consent of all parties to this Stipulation; and

WHEREAS, the Parties will take reasonable measures to ensure the confidentiality of information exchanged as a result of this Stipulation;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties hereby stipulate and agree to the following:

1. The substance of any communication between any counsel to the Debtors' (whether engaged prior to the Petition Date, or thereafter) and the Committee's counsel as it relates to any Claim, whether in oral or written form, including without limitation, correspondence, memoranda, facsimiles, emails, workpapers, notes, summaries or reports of interviews or depositions, drafts of pleadings, analyses of legal or factual issues related to any Claim, reports by experts, consultants, mental impressions, analyses, legal theories, compilations or other materials prepared, created, or compiled by or on behalf of any of the Parties in connection with any Claim, shall be treated and maintained as privileged and confidential communications (the "Confidential Communications").

2. All Confidential Communications that are privileged, confidential or subject to the work product doctrine shall not lose such status if disclosed pursuant to this Stipulation. The parties specifically intend to invoke, to the fullest extent possible, the protections of the joint defense doctrine and all other applicable Privileges.

3. In the event any Party receives a request or subpoena for production of any Confidential Communication, that Party shall give telephonic and written notice of receipt of said request or subpoena to the other Party hereto within one day (or as soon thereafter as is practicable) so each Party has the opportunity to assert any and all applicable Privileges.

4. If any Party discloses Confidential Communications to an unauthorized person, such disclosure shall not constitute a waiver of any non-disclosing Party's claim of any privilege or work-product protection or of any rights under this Stipulation. A negligent or unintentional

disclosure to an unauthorized person shall not waive any Party's right to assert any claim of privilege, work product protection or to assert any right under this Stipulation.

5. This Stipulation shall not create any agency or similar relationship among the Parties or their counsel. Nothing contained herein has the effect of creating an attorney-client relationship between or among any of the undersigned counsel with anyone other than the client of such counsel as listed below.

6. This Stipulation is effective as of the date of the first exchange of information between the Parties related to the Claims and applies to all communication and other exchanges of information among the Parties (whether written or oral) related to the Claims prior to the execution of this Stipulation.

7. This Stipulation may be signed in counterparts which, when taken together, shall constitute one and the same document.

8. To the extent necessary or required to provide the benefits and protections contemplated by this Stipulation, the Debtors do hereby grant to the Committee the right and power to prosecute an objection to any Claim and to defend against any Claim, which right and power shall be shared jointly and severally between the Debtors and the Committee, in accordance with the holding of Commodore Int'l Ltd. v. Irving Gould, et al (In re Commodore Int'l Ltd.), 262 F.3d 96 (2nd Cir. 2001); and the rights and protections granted to the Committee hereunder are in further recognition of the Committee's right to be heard under Section 1109 of

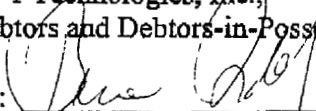
the Bankruptcy Code and its right to intervene as set forth in Term Loan Holder Comm v. Ozer Group, L.L.C., etal (In re The Caldor Corp.), 303 F.3d 161 (2nd Cir. 2002).

SO ORDERED:


this _____ day of January, 2003

CONRAD B. DUBERSTEIN
CHIEF UNITED STATES BANKRUPTCY JUDGE

ANGEL & FRANKEL, P.C.
Attorneys for PT-1 Communications, Inc.,
PT-1 Long Distance, Inc. and
PT-1 Technologies, Inc.,
Debtors and Debtors-in-Possession

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Unsecured Creditors

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