

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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In re:)
)
PETITION OF ERNST & YOUNG INC.,) Case No. 02-11404 (MFW)
AS MONITOR OF TELEGLOBE)
HOLDINGS (U.S.) CORPORATION, *et*) Jointly Administered
al.,)
)
Debtors in Foreign Proceeding.)

**ORDER CONTINUING TEMPORARY RESTRAINING ORDER WITH RESPECT
TO DOMESTIC CORPORATIONS AND GRANTING PRELIMINARY
INJUNCTION WITH RESPECT TO FOREIGN CORPORATIONS**

Upon consideration of the motion of petitioner, Ernst & Young Inc. ("Ernst & Young" or "Petitioner"), appointed as Monitor of: (a) Teleglobe Holdings (U.S.) Corporation ("Teleglobe US"), Teleglobe Telecom Corporation ("Teleglobe Telecom"), Teleglobe Luxembourg LLC ("Luxembourg LLC"), Teleglobe Holding Corp. ("Teleglobe Holding"), Teleglobe Investment Corp. ("Teleglobe Investment"), Teleglobe Communications Corporation ("Communications Corp."), Teleglobe USA Inc. ("Teleglobe USA"), Optel Telecommunications, Inc. ("Optel"), Teleglobe Marine (U.S.) Inc. ("Teleglobe Marine US"), Teleglobe Submarine Inc. ("Teleglobe Submarine"), Teleglobe Puerto Rico Inc. ("Teleglobe Puerto Rico" and collectively, the "Domestic Corporations"); and (b) 3692795 Canada Inc. ("369"), Teleglobe Canada Management Services Inc. ("Teleglobe Management"), Teleglobe Inc. ("Teleglobe"), Teleglobe Financial Holdings Ltd. ("Teleglobe Financial"), Teleglobe Canada Limited Partnership ("Teleglobe Canada"), Teleglobe Management Services Inc. ("TMS"), Teleglobe Marine, Inc. ("Teleglobe Marine"), Teleglobe Marine, L.P. ("Marine LP"), Telecom Vision Call Center Services, General Partnership ("Telecom Vision," and collectively, the "Foreign Corporations", and together with the Domestic Corporations, the "Foreign Debtors") in proceedings (the

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"Foreign Proceedings") pending in the Ontario Superior Court of Justice, Commercial List, in Toronto, Ontario Canada (the "Canadian Court"), pursuant to the Companies' Creditors Arrangement Act (the "CCAA"), for a preliminary injunction pursuant to Sections 304 and 105(a) of Title 11 of the United States Code (the "Bankruptcy Code"), Rule 7065 of the Federal Rules of Bankruptcy Procedure ("the Bankruptcy Rules") and Rule 65(b) of the Federal Rules of Civil Procedure (the "Motion"); and the Court having considered and reviewed the petitions filed in these cases under Section 304 of the Bankruptcy Code (the "Petitions"), the Motion, the Declaration of Brian Denega, and all of the exhibits annexed thereto, the Affidavit of Peter Osborne, one of the Canadian attorneys for the Foreign Debtors, and all of the exhibits annexed thereto, and the Memorandum of Law in Support of Motion of Foreign Representative for Injunctive Relief; and the Court having entered a Temporary Restraining Order on May 15, 2002 (the "TRO"); and notice of the Motion having been provided to: (a) counsel for (i) the Foreign Debtors, (ii) the ad hoc committee of Teleglobe noteholders (the "Ad Hoc Committee"), (iii) the Foreign Debtors' lenders (the "Lenders"), (iv) BCE Inc., and the Office of the United States Trustee; and (b) certain persons believed by Petitioner to be Potential United States creditors of the Foreign Debtors; and (c) counsel appearing in these cases; and based upon the foregoing, the hearing on the Motion and all the proceedings before the Court, the Court finds and concludes as follows:

1. Petitioner has demonstrated a reasonable probability of success on the merits of the contentions that: (i) the Foreign Corporations are subject to foreign proceedings; (ii) Petitioner is the foreign representative of the respective Foreign Debtors; and (iii) the grant of relief will best assure the economical and expeditious administration of the Foreign Proceedings, consistent with the relevant factors set forth in Section 304(c) of the Bankruptcy Code.

2. Petitioner has not demonstrated a reasonable probability of success on the merits of the contention that the domicile, residence, principal place of business, or principal assets of any of the Domestic Corporations at the commencement of the case give rise to a foreign proceeding within the meaning of 11 U.S.C. §101(23).

3. Petitioner has demonstrated that, without the requested injunctive relief, the Foreign Corporations will be irreparably harmed, and that an injunction should be granted to maintain the status quo and to provide the Foreign Corporations with a "breathing spell" to prevent any creditor of the Foreign Corporations from gaining a preference while the Foreign Proceedings are pending and to implement the sales process in the Foreign Proceedings, as more fully described in the Osborne Affidavit. Absent immediate injunctive relief, there is a serious risk that the alleged creditors will commence actions against the Foreign Corporations in the United States or will attempt to seize or attach assets of the Foreign Corporations in the United States.

4. Petitioner has demonstrated that the relief requested will not cause hardships to parties that are not outweighed by the benefits.

5. Petitioner has demonstrated that the grant of the requested relief is in the public interest.

6. Notice of the Motion was due and adequate under the circumstances.

NOW, THEREFORE, IT IS:

ORDERED, that with respect to the Foreign Corporations, all persons shall be hereby preliminary enjoined and restrained to and including (July 31, 2002) (the "Preliminary Injunction") from:

- (1) commencing or continuing any action or proceeding (including, but not limited to, the issuance or employment of process and/or institution of a proceeding under the Bankruptcy Code) against the Foreign Corporations in the United States;
- (2) commencing or continuing any action or proceeding (including, but not limited to, the issuance or employment of process and/or the institution of a proceeding under the Bankruptcy Code) or the taking of any act in the United States against property of the Foreign Corporations (including, without limitation, any bank account or deposit accounts or payments or advances made pursuant to any credit facilities approved by the Canadian Court to a Foreign Corporation), including any action, proceeding or act (i) to seize or otherwise obtain possession of or exercise control over such property, or (ii) to create, perfect or enforce any lien, setoff, judgment, attachment, restraint, assessment or order, or collect, assess or recover any claim against such property;
- (3) relinquishing or disposing of any property of the Foreign Corporations or the proceeds of such property, except to the Foreign Corporations; and
- (4) all persons, having written or oral agreements with the Foreign Corporations or statutory or regulatory mandates for the supply of goods and/or services, including, without limiting the generality of the foregoing, all computer software, communication and other data services, computer hardware, electronics, centralized banking services, payroll servicing, insurance, transportation services, utilities or other required services, by or to the Foreign Corporations or any of their property are hereby enjoined and restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such

goods or services except in accordance with the terms thereof (other than based on any monetary, bankruptcy, insolvency or similar default or breach) and upon five days written notice to the Foreign Corporations and the Petitioner so long as the normal prices or charges for such goods and services provided or received after the date of this Order are paid in accordance with present payment practices, or as may be hereafter agreed to by the Foreign Corporations from time to time; and it is further

ORDERED, that notwithstanding any other provision of this Order or as it may be amended from time to time: (a) all persons having agreements, whether written or oral, with the Foreign Corporations, or any of them for the carriage and transmission of voice and data services shall be entitled to exercise those mechanisms for call termination and payment of such services on the same basis as such parties would have been entitled to exercise such mechanisms, but for this Order; and (b) the Foreign Corporations may, by written consent of their counsel of record herein, agree to waive any of the protections provided to them herein; and it is further

ORDERED, that this Order shall be (A) served by hand delivery, facsimile or U.S. mail, postage prepaid, within ten (10) days of its entry upon (i) counsel for (a) the Foreign Debtors, (b) the Ad Hoc Committee, (c) the Lenders, (d) BCE Inc., (e) the United States Trustee, and (f) the Indenture Trustees under the Foreign Debtors' public bond issuances; (ii) persons believed by Petitioner to be potential United States creditors of the Foreign Debtors; and (iii) counsel appearing in these cases; and (B) published in the Wall Street Journal (National Edition) and New York Times (National Edition) within ten days of its entry; and it is further

ORDERED, that service pursuant to the preceding paragraph shall be deemed good and sufficient service and adequate notice of this Order; and it is further

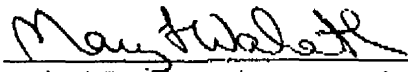
ORDERED, that this Order is without prejudice to the Petitioner's right to seek continued injunctive relief upon the expiration of the Preliminary Injunction; and it is further

ORDERED, that the expiration of the Preliminary Injunction shall not vacate any order, judgment, or transfer ordered by the Court; and it is further

ORDERED, that notwithstanding the terms of this Order, the TRO previously entered herein shall remain in effect until 6:00 p.m. (E.D.T.) on May 28, 2002.

ORDERED, that the Preliminary Injunction shall expire on July 31, 2002, unless otherwise ordered by the Court.

Dated: Wilmington, Delaware
May 28 2002



United States Bankruptcy Judge