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Able Telcom defaults on stock registration obligation and fails to repay notes.

Able Telcom Holding Corp. (Symbol: ABTE) (Price: \$7.75) has failed to have the U.S. Securities and Exchange Commission ("SEC") declare a registration statement covering its common stock effective. The registration is required by its Convertible Preferred Stock Purchase and Registration Rights Agreements ("Preferred"). The Preferred is exploding and converts into an unknown number of shares creating unlimited dilution risk to shareholders. Able Telcom filed the registration statement on October 22, 1998. Able Telcom was required to have a registration statement declared effective on or before December 27, 1998. The filing has not been declared effective. As a result of this failure, holders of the Preferred have the right to redeem their Preferred shares possibly at a 30% premium.

Able Telcom was required and failed to repay its \$10 million senior subordinated note plus an additional \$3 million in penalty and cost on August 31, 1998 and then on November 30, 1998. Able Telcom has admitted that it does not currently have sufficient funds to repay these notes, which are senior to the Preferred and are severely past due. Able Telcom possesses no ability to meet the Preferred's penalty redemption obligation. Able Telcom's Preferred holders can not convert and sell shares in the open market without an effective registration. Any attempt to force redemption by the Preferred holders would likely lead Able Telcom to declare bankruptcy. As a result, the Preferred holders are now forced to stand still.

Able Telcom's senior creditors, who have a claim on all of its assets, are also temporarily standing still along with the subordinate note and low ranking Preferred holders. Able Telcom's dire condition leaves even its secured holders with little recourse. The equity comes after all these obligations and also after WorldCom's \$30 million note. This provides clear and convincing evidence of the lack of residual value available to Able Telcom's public shareholders. However, unlike Able Telcom's debt and Preferred holders, its public shareholders are able to sell. We believe this will undoubtedly cause Able Telcom's grossly overvalued stock price to soon fall well below \$1 per share.

Short selling involves a risk not associated with the purchase of stock including, but not only limited to, unlimited loss and stock borrowing risks. Additional information is available upon request.