

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION**

In re BROADCOM CORPORATION CLASS  
ACTION LITIGATION

Lead Case No.: CV-06-5036-R (CWx)

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED  
SETTLEMENT WITH ERNST & YOUNG LLP AND MOTION FOR  
ATTORNEYS' FEES AND EXPENSES**

TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR OTHERWISE ACQUIRED THE CLASS A COMMON STOCK OF BROADCOM CORP. DURING THE PERIOD FROM FEBRUARY 14, 2006 THROUGH MAY 25, 2006, INCLUSIVE, (THE "CLASS PERIOD"), AND WERE ALLEGEDLY DAMAGED THEREBY (THE "CLASS").

YOU MAY BE ENTITLED TO A PAYMENT FROM THIS  
PROPOSED SETTLEMENT.

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- If approved by the Court,<sup>1</sup> the proposed Settlement with defendant Ernst & Young LLP ("EY" or "Defendant") will create a \$13,000,000 settlement fund for the benefit of eligible investors who purchased or otherwise acquired the Class A common stock of Broadcom Corporation ("Broadcom" or the "Company") during the Class Period (the "Settlement" or "EY Settlement").
- The Settlement would resolve all remaining claims in a class action lawsuit concerning Broadcom's alleged backdating and failure to properly account for stock option grants between April 1998 and May 2003 (the "Litigation"). The Class has been certified by the Court and is represented in the Litigation by court-appointed Class Representative the New Mexico State Investment Council ("Class Representative").
- The Settlement is in addition to a previously approved \$160.5 million settlement with Broadcom and certain related defendants (the "Broadcom Settlement"), and would be part of a global recovery of \$173.5 million.
- The Court will review the Settlement at the Settlement Hearing to be held on December 3, 2012 at 10:00 a.m.
- **Your legal rights are affected whether you act or do not act. Read this notice carefully.**

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>SUBMIT A CLAIM FORM BY DECEMBER 26, 2012</b>	The <i>only</i> way to get a payment if you did not previously submit a claim in connection with the Broadcom Settlement. If you <i>did</i> previously submit a claim, see Question 10.
<b>EXCLUDE YOURSELF BY NOVEMBER 19, 2012</b>	Get no payment. This is the <i>only</i> option that allows you to ever bring or be part of any <i>other</i> lawsuit against the Defendant and the other "Released Defendant Parties" about the "Released Claims." This is the <i>only</i> option that removes you from the Class, if you are a Class Member.
<b>OBJECT BY NOVEMBER 19, 2012</b>	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation and/or the motion for attorneys' fees and expenses. This will not exclude you from the Class.
<b>GO TO A HEARING ON DECEMBER 3, 2012</b>	Ask to speak in Court about the Settlement at the Settlement Hearing.
<b>DO NOTHING</b>	Get no payment, if you did not submit a claim in the Broadcom Settlement. Give up rights.

<sup>1</sup> All capitalized terms not otherwise defined in this document shall have the meaning provided in the Stipulation and Agreement of Settlement With Ernst & Young LLP, dated September 27, 2012 (the "Stipulation").

## SUMMARY OF THIS NOTICE

### Statement of Plaintiff Recovery

This proposed Settlement will create a Settlement Fund of \$13,000,000 in cash, plus interest as it accrues. Based on the Class Representative's estimate of the number of shares of common stock that may have been damaged by the alleged fraud, and assuming that all those shares participate in the Settlement, the Class Representative estimates that the average recovery would be approximately \$0.08 per share.<sup>2</sup> This estimate is before deduction of any court-awarded expenses, such as attorneys' fees and litigation expenses, the Class Representative's costs and expenses and the cost of sending this Notice and administering the distribution of the Settlement. The amount an eligible Class Member will actually recover will depend on numerous factors. These factors are fully explained in the Plan of Allocation beginning on page 10. Please refer to the Plan of Allocation for more information on your potential "Recognized Loss" (defined below).

### Statement of Potential Outcome if the Claims Continued to Be Litigated

The Parties disagree about whether EY is liable for the claims asserted against it and whether it caused any damages. The issues on which the Parties disagree include, for example: (1) whether the Defendant made any false or material misstatements or omissions; (2) whether the Defendant acted with the required state of mind; (3) the amount by which the prices of Broadcom common stock were artificially inflated (if at all) during the Class Period as a result of the alleged fraud; (4) the extent that Broadcom's compensation expenses and stock option granting practices influenced (if at all) the trading price of Broadcom's common stock during the Class Period; (5) whether any purchasers of Broadcom common stock suffered damages as a result of EY's alleged misstatement and omissions; and (6) the amount of such damages, assuming they exist, including the appropriate economic model for measuring such damages and the extent to which external factors, such as general market and industry conditions, influenced the trading price of Broadcom common stock during the Class Period.

EY denies that it is liable to the Class and denies that the Class has suffered any damages attributable to its actions. While the Class Representative believes that it and the Class have meritorious claims, it recognizes that there are significant obstacles to be overcome before there could be any recovery.

### Statement of Attorneys' Fees and Costs Sought

The Class Representative and the Class are represented by the law firm of Labaton Sucharow LLP ("Class Counsel"). Class Counsel has not received any payment for its services in litigating the claims against EY in the Litigation, nor has it been reimbursed for its litigation expenses since 2010. Class Counsel intends to make a motion asking the Court to award it attorneys' fees of no more than 20% of the Settlement Fund (including any accrued interest), and reimbursement from the Settlement Fund of expenses incurred during the Litigation, in an amount not to exceed \$1 million, plus interest. Pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), the Class Representative may also ask the Court to reimburse it for costs and expenses it incurred in representing the Class in an amount of no more than \$40,000. If the Court approves the fee and expense applications in full, the average amount of fees and expenses per damaged share of common stock will be approximately \$0.02. This amount will vary depending on the number of eligible claims submitted.

### Further Information

Further information regarding the Settlement and this Notice may be obtained by contacting the Claims Administrator: *Broadcom Corp. Class Action Litigation, EY Settlement*, c/o GCG, P.O. Box 9945, Dublin, OH 43017-5945, 866-220-2893, [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY); or Class Counsel: Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, (888) 212-5685, [www.labaton.com](http://www.labaton.com), [settlementquestions@labaton.com](mailto:settlementquestions@labaton.com). **Please Do Not Call the Court or Ernst & Young With Questions About the Settlement.**

### Reasons for the Settlement

For the Class Representative, the principal reason for the Settlement is the immediate benefit of a substantial cash recovery for the Class. This benefit must be compared to the risk that no recovery or a smaller recovery might be achieved after expert discovery is complete, summary judgment motions are made, a contested trial and likely appeals, possibly years into the future. For EY, which denies all allegations of wrongdoing, the principal reason for the Settlement is to eliminate the burden, expense, uncertainty and risk of further litigation.

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<sup>2</sup> An allegedly damaged share might have been traded more than once during the Class Period, and this average recovery would be the total for all purchasers of that share.

## **BASIC INFORMATION**

### **1. Why did I get this notice package?**

You or someone in your family may have purchased or acquired Broadcom Class A common stock during the period from February 14, 2006 through May 25, 2006, inclusive, and may be a Class Member in this Litigation. This package explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them and how to get them.

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed settlement of this class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If approved, the Settlement will end the Litigation and all of the Class's claims against EY. The Court will review the Settlement at a Settlement Hearing on December 3, 2012 at 10:00 a.m. If the Court approves the Settlement, and after any objections and appeals are resolved, the claims administrator appointed by the Court will make the payments that the Settlement allows.

The Court in charge of the case is the United States District Court for the Central District of California (Western Division), and the case is known as *In re Broadcom Corporation Class Action Litigation*, No. CV-06-5036-R (CWx). This case was assigned to United States District Judge Manuel L. Real. The person bringing the case is called the "class representative," and the company being sued is called the "defendant."

### **2. What is this lawsuit about and what has happened so far?**

Broadcom is a corporation that provides semiconductors for wired and wireless communications to and throughout the home, office, and mobile environment. It is incorporated in California and its principal place of business and chief executive office is in Irvine, California. Like other public companies, Broadcom awarded stock options to its employees, executives and directors. EY was Broadcom's independent auditor from the Company's initial public offering in April 1998 through the end of the Class Period and was responsible for, among other things, conducting audits of the Company's year-end financial statements.

On October 12, 2006, New Mexico State Investment Council was appointed lead plaintiff for the proposed class by the Court. The only remaining defendant in the Litigation is EY.

The operative complaint in the Litigation is the Consolidated Amended Class Action Complaint (the "Amended Complaint"). The Amended Complaint alleges, among other things, that EY violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5(a)-(c) by allegedly issuing a false and misleading audit opinion to investors in connection with its year-end audit of Broadcom for 2005 (the "2005 Audit Opinion"). The 2005 Audit Opinion allegedly contained misrepresentations and omissions regarding EY's audits of Broadcom, which were purportedly conducted in accordance with U.S. Generally Accepted Auditing Standards ("GAAS"). The Amended Complaint further alleges that the Class Representative and other Class Members purchased Broadcom Class A common stock during the Class Period at artificially inflated prices and were allegedly damaged when the truth about Broadcom's stock option practices and EY's 2005 Audit Opinion was disclosed and the stock price dropped. The Litigation seeks money damages against EY for violations of these federal securities laws.

The Parties have been litigating the case since the Class Representative was appointed lead plaintiff in October 2006. On April 21, 2008, the Class Representative filed a Consolidated Class Action Complaint. Each of the defendants moved to dismiss this complaint on June 20, 2008. On October 6, 2008 the Court granted the motions to dismiss, without prejudice, finding that the complaint failed to adequately allege loss causation and gave the Class Representative leave to amend the complaint. The Class Representative subsequently filed the Amended Complaint on October 27, 2008, which set forth additional facts concerning loss causation and the defendants' alleged scienter.

The Class Representative filed the Amended Complaint after an extensive investigation that included, among other things: (a) review and analysis of publicly available information concerning the defendants and their stock option practices, including newspaper articles, online publications, stock price charts, statements at analyst conferences, and Bloomberg reports; (b) review and analysis of regulatory filings made by the defendants with the United States Securities and Exchange Commission ("SEC"); (c) review and analysis of securities analyst reports; (d) review and analysis of press releases and media reports issued by and disseminated by the defendants; (e) interviews with former employees of Broadcom, each of whom have specific, personal knowledge of the facts alleged in the Amended Complaint; and (f) review of the results of investigations conducted by the U.S. Attorney's Office for the Central District of California and the SEC as reflected in criminal indictments brought against certain defendants.

On November 24, 2008, defendants moved to dismiss the Amended Complaint in its entirety. On February 4, 2009, the Court entered an Order dismissing all claims against Henry T. Nicholas, III, no longer a party to the Litigation. On February 10, 2009, the Court entered an Order dismissing, with leave to amend, all claims asserted against Ernst & Young and George L. Farinsky ("Farinsky"). On February 11, 2009, the Court entered an Order denying the remaining defendants' motions to dismiss. On February 18, 2009, the Class Representative filed a notice of intent not to amend the Amended Complaint as to EY and Farinsky, and the Class Representative appealed the dismissal of the claims against EY to the United States Court of Appeals for the Ninth Circuit.

On November 1, 2010, a panel of Ninth Circuit judges (sitting by appointment or designation) heard oral argument from the Parties regarding the Class Representative's appeal. On April 14, 2011, the Ninth Circuit panel issued an Opinion reversing the District Court's ruling granting EY's motion to dismiss, and remanding the case for further proceedings.

On June 6, 2011, EY moved to dismiss the Amended Complaint, arguing that the Class Representative failed to establish a causal connection between the 2005 Audit Opinion and the alleged declines in Broadcom's Class A common stock. On August 19, 2011, the Court entered an Order denying EY's motion to dismiss in its entirety, thus permitting the case to proceed to discovery.

On March 4, 2009 the Court appointed John Francis Carroll as Special Master to oversee certain pre-trial matters in the Litigation. Through the assistance of Special Master Carroll, the Parties negotiated a Joint Stipulation for Class Certification, as well as a comprehensive Joint Discovery Stipulation, which provided for an efficient and streamlined schedule for the Parties to complete fact discovery and exchange expert reports by August 2012. On May 9, 2012, the Court entered and approved the Joint Stipulation for Class Certification and the Joint Discovery Stipulation. Between June 2012 and August 2012, the Parties completed document discovery, conducted fifteen depositions, and exchanged opening and rebuttal expert reports.

Preliminary settlement discussions commenced in late Spring 2008, and formally resumed in May 2012. Ultimately, in September 2012, through mediated arm's-length negotiations before a highly experienced mediator and Special Master Carroll, the Class Representative and EY reached an agreement in principle that led to this Settlement.

EY denies all allegations of wrongdoing contained in the Amended Complaint and denies that it is liable. The Settlement should not be seen as an admission or concession on the part of EY about any of the claims, its fault or liability for damages.

3. Why is this a class action?

In a class action, one or more people called class representatives sue on behalf of people or entities, known as "class members," who have similar claims. A class action allows one court to resolve in a single case many similar claims that, if brought separately by individuals, might be economically so small that they would never be brought. One court resolves the issues for all class members, except for those who exclude themselves, or "opt out," from the class (discussed below). On May 9, 2012, the Court entered the Order Certifying the Proposed Class and Appointing Class Representative and Class Counsel, which certified the Litigation as a class action on behalf of the Class ("Class Certification Order").

4. Why is there a settlement?

The Court did not finally decide in favor of the Class Representative or EY. The Settlement will end all the claims against EY in the Litigation and avoid the uncertainties and costs of further litigation and any future trial. Affected investors will get compensation immediately, rather than after the time it would take to conduct additional litigation, brief summary judgment, have a trial and exhaust all appeals. The Settlement was reached after the Class Representative conducted a thorough investigation, briefed two challenging motions to dismiss the claims, successfully appealed the dismissal of all claims against EY to the United States Court of Appeals for the Ninth Circuit, reviewed more than four million pages of documents produced during the course of the Litigation, conducted fifteen depositions, consulted with experts in the field of loss causation, damages, materiality and GAAS, and engaged in arm's-length negotiations about a settlement. Preliminary settlement discussions commenced in late Spring 2008, and formally resumed in May 2012. Ultimately, in September 2012, through mediated arm's-length negotiations before a highly experienced mediator and Special Master Carroll, the Class Representative and EY reached an agreement in principle that led to this Settlement. EY and the Class Representative worked closely with the co-mediators in connection with the May 2012 and September 2012 mediation sessions. These negotiations ultimately resulted in an agreement to settle the claims asserted in the Litigation. The Class Representative and Class Counsel believe the Settlement is in the best interest of Class Members.

## WHO IS IN THE SETTLEMENT

5. How do I know if I am part of the Settlement?

The Court has certified this Litigation as a class action and everyone who fits the following description is a Class Member, unless they are an excluded person or take steps to exclude themselves (see Question 6 below):

All persons and entities that purchased or otherwise acquired the Class A common stock of Broadcom Corporation during the period from February 14, 2006 through May 25, 2006, inclusive, and were allegedly damaged thereby.

Receipt of this Notice does not mean that you are a Class Member. Please check your records or contact your broker to see if you purchased or acquired Broadcom Class A common stock during the Class Period.

6. Are there exceptions to being included in the Class?

Additionally, there are some people who cannot be in the Class. The excluded persons are: (a) the current or former defendants in the Litigation; (b) the partners, directors, and principals of EY; (c) the members of the immediate families of the former individual defendants in the Litigation; (d) the legal representatives, heirs, successors or assigns of any excluded Person; (e) any entity in which any current or former defendant has or had a controlling interest; (f) shares of Broadcom Class A common stock purchased by any Broadcom employee who acquired the shares through the exercise of incentive stock options from February 14, 2006 through May 25, 2006, inclusive; and (g) any Person who timely and validly seeks exclusion from the Class.

If you do not want to be a Class Member, for example if you want to bring your own lawsuit against EY for these claims, **you must** exclude yourself by filing a request for exclusion in accordance with the requirements explained below.

If one of your mutual funds purchased or acquired shares of Broadcom Class A common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you (or your broker on your behalf) purchased or acquired Broadcom Class A common stock during the Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help from the Claims Administrator: *Broadcom Corp. Class Action Litigation, EY Settlement*, c/o GCG, P.O. Box 9945, Dublin, OH 43017-5945, 866-220-2893, [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY). Or, if you did not previously submit a claim in connection with the Broadcom Settlement, you can fill out and return the Proof of Claim and Release form ("Proof of Claim") described on page 6, in Question 10, to see if you qualify.

## THE SETTLEMENT BENEFITS—WHAT YOU MAY RECEIVE

8. What does the Settlement provide?

In the Settlement, EY has agreed to fund a \$13,000,000 (before interest) account to be divided, after deduction of Court-awarded attorneys' fees and expenses, the Class Representative's Court-approved costs and expenses, settlement administration costs and any applicable taxes ("Net Settlement Fund"), among all Class Members who timely submit valid claims.

9. How much will my payment be?

The Plan of Allocation discussed on pages 10-12 explains how claimants' "Recognized Losses" will be calculated. Your share of the Net Settlement Fund will depend on several things, including: (a) the amount of Recognized Losses of other Class Members; (b) how many shares of Broadcom stock you bought; (c) how much you paid for the shares; (d) when you bought them; and (e) whether or when you sold them (and, if so, for how much you sold them).

It is unlikely that you will get a payment for your entire Recognized Loss, given the number of potential Class Members. After all Class Members have submitted their claims, the payment you get will be a portion of the Net Settlement Fund. Your share will be your Recognized Loss divided by the total of all Class Members' Recognized Losses and then multiplied by the total amount in the Net Settlement Fund. See the Plan of Allocation beginning on page 10 for more information.

Once all the claims are processed and calculated, Class Counsel, without further notice to the Class, will apply to the Court for an order distributing the Net Settlement Fund to the Members of the Class. Class Counsel will also ask the

Court to approve payment of the Claims Administrator's fees and expenses incurred in connection with administering the Settlement that have not already been reimbursed.

### **HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM**

10. How can I get a payment?

To be eligible for a payment from the EY Settlement, you must **EITHER**:

(1) have *already* submitted a claim in connection with the prior Broadcom Settlement; **OR**

(2) if you *did not* already submit a claim in connection with the Broadcom Settlement, you must timely submit a validly completed Proof of Claim with supporting documents (DO NOT SEND ORIGINALS of your supporting documents) in this Settlement.

### **DO NOT SUBMIT A CLAIM FORM IF YOU ALREADY SUBMITTED ONE IN CONNECTION WITH THE BROADCOM SETTLEMENT**

If you submitted a claim in the Broadcom Settlement, that claim and the transactional information you already provided will be used to determine your eligibility for a payment from the EY Settlement. You are not being mailed a Proof of Claim with this Notice. If you previously received a letter from the Claims Administrator about the rejection or ineligibility of your Broadcom claim, you must contact the Claims Administrator to rectify your claim in the EY Settlement. You can check the status of your Broadcom claim or the transactions you previously submitted by logging into the Settlement website: [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY). Information about how to login is being mailed with this Notice. If you do not have access to the website, you can call the Claims Administrator at 866-220-2893.

If the Claims Administrator did not receive a claim from you in connection with the Broadcom Settlement, a Proof of Claim is being circulated with this Notice. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator: [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY), or Class Counsel: [www.labaton.com](http://www.labaton.com). Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it to the Claims Administrator by First-Class Mail, **postmarked on or before December 26, 2012**. *The Claims Administrator needs all of the information requested in the Proof of Claim in order to determine what you may be entitled to.*

11. When would I get my payment?

The Court will hold a hearing on **December 3, 2012 at 10:00 a.m.**, to decide whether to approve the Settlement. All claims need to be submitted **postmarked on or before December 26, 2012**. If the Court approves the Settlement, there may still be appeals which would delay payment, perhaps for more than a year. It also takes time for all the claims to be processed. Please be patient.

12. What am I giving up by staying in the Class and getting a payment?

Unless you exclude yourself, you will stay in the Class, which means that once the Settlement becomes effective (the "Effective Date"), you will forever give up and release all "Released Claims" (as defined below) against the "Released Defendant Parties."<sup>3</sup> You will not in the future be able to bring a case asserting any Released Claim against the Released Defendant Parties.

"Released Claims" collectively means any and all claims, debts, demands, rights, causes of action or liabilities (including, but not limited to, any claims for negligence, gross negligence, recklessness, intentional conduct, damages, interest and any other costs, expenses or liability) of every nature and description whatsoever, known or unknown, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, suspected or unsuspected, whether or not concealed or hidden, accrued or unaccrued, liquidated or not liquidated, at law or in equity, matured or not matured, Class-wide or individual in nature, including both known claims and Unknown Claims (as defined below), (a) that have been asserted in this Litigation by the Class Members or any of them against any of the Released Defendant Parties, or (b) that could have been asserted in the Litigation or any other forum by the Class Members or any of them against any of the Released Defendant Parties, that arise out of, are based upon, or relate in any way to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Litigation or that arise out of, are based upon, or relate in any way to Broadcom's grants of stock

<sup>3</sup> "Released Defendant Parties" in this Settlement means EY; each of its current or former officers, directors, employees, partners, principals, agents, attorneys, personal or legal representatives, consultants, experts, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, general or limited partners or partnerships, limited liability companies, spouses, heirs, executors, estates, administrators, related or affiliated entities; and any entity in which EY has a controlling interest.

options between April 1998 and May 2003 and EY's 2005 audit opinion relating thereto and the purchase or sale of Broadcom Class A common stock during the Class Period. Released Claims do not include: (i) the plaintiffs' claims asserted in the Derivative Action and/or the State Derivative Action; (ii) claims to enforce the Settlement; (iii) claims Broadcom has brought against EY and claims that EY has brought against Broadcom, if any; or (iv) any governmental or regulatory agency's claims asserted in any criminal or civil action against any of the current or former defendants.

"Unknown Claims" in this Settlement means any and all Released Claims, which the Class Representative or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendant's Claims that EY does not know exist in its favor at the time of the release of the Released Plaintiff Parties, which if known by it might have affected its decisions with respect to the Settlement. With respect to any and all Released Claims and Released Defendant's Claims, the Parties stipulate and agree that, upon the Effective Date, Class Representative and EY shall expressly, and each Class Member shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Class Representative, the Class Members or EY may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Class Representative and EY shall expressly, fully, finally and forever settle and release, and each Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims, without regard to the subsequent discovery or existence of such different or additional facts. Class Representative and EY acknowledge, and other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendant's Claims was separately bargained for and was a key element of the Settlement.

The "Effective Date" will occur after the Judgment by the Court approving the Settlement becomes final and is not subject to appeal. If you remain a Member of the Class, all of the Court's orders will apply to you and legally bind you.

### **EXCLUDING YOURSELF FROM THE SETTLEMENT**

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Released Defendant Parties on your own about the Released Claims, then you must take steps to exclude yourself from the Settlement. Excluding yourself is known as "opting out" of the Class. EY may terminate the Settlement if Class Members who purchased in excess of a certain amount of Broadcom Class A common stock during the Class Period opt out from the Class.

13. How do I "opt out" (exclude myself) from the proposed Settlement?

To "opt out" (exclude yourself) from the Class, you must send a signed letter by First-Class Mail stating that you "request exclusion from the Class in *Broadcom Corp. Class Action Litigation, EY Settlement*, No. CV-06-5036-R (CWx)." **You must send a letter even if you already sought exclusion from the Settlement Class in connection with the previously approved Broadcom Settlement.**

Your letter must state the date(s), price(s) and number of shares of all your purchases, acquisitions and sales of Broadcom Class A common stock during the Class Period. This information is needed to determine whether you are a Class Member. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion request by First-Class Mail, **so that it is received on or before November 19, 2012**, to:

Broadcom Corp. Class Action Litigation, EY Settlement  
**EXCLUSIONS**  
c/o GCG  
P.O. Box 9945,  
Dublin, OH 43017-5945

**You cannot exclude yourself or opt out by telephone or by e-mail.** Your exclusion request must comply with these requirements in order to be valid. If you write to request to be excluded, you will not get any settlement payment and you cannot object to the Settlement.

14. If I do not exclude myself, can I sue EY and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue EY and the other Released Defendant Parties for all Released Claims. If you have a pending lawsuit speak to your lawyer in that case **immediately**. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **November 19, 2012**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. Any previously submitted claim will also not be processed in the EY Settlement. However, you may exercise any right you may have to sue, continue to sue or be part of a different lawsuit against EY and the other Released Defendant Parties.

#### **THE LAWYERS REPRESENTING YOU**

16. Do I have a lawyer in this case?

The law firm of Labaton Sucharow LLP in New York, New York was appointed to represent all Class Members. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Class Counsel's fees and expenses, which will be paid from the Settlement Fund if they are approved. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Class Counsel has not received any payment for its services in pursuing the claims against EY on behalf of the Class, nor has it been reimbursed for its litigation expenses since 2010. At the Settlement Hearing described below, or at such other time as the Court may order, Class Counsel will ask the Court to award it, from the Settlement Fund, attorneys' fees of no more than 20% of the Settlement Fund (including accrued interest), and to reimburse it for its litigation expenses, such as the cost of experts, that it has incurred in pursuing the Litigation. The request for reimbursement of expenses will not exceed \$1 million, plus interest on the expenses at the same rate as may be earned by the Settlement Fund. Pursuant to the PSLRA, the Class Representative may also ask the Court to reimburse it for costs and expenses it incurred in representing the Class in an amount of no more than \$40,000. If the applications for attorneys' fees and expenses are approved in full, the average amount of such fees and expenses per damaged share would be approximately \$0.02.

The fee requested by Class Counsel would compensate it for its efforts in achieving the Settlement for the benefit of the Class and for the risk in undertaking the Litigation on a contingency basis. A request of 20% may be determined by the Court to be reasonable given: (a) the result achieved; (b) the novelty and difficulty of the claims; (c) the risk that the Class Representative would not prevail; (d) the quality of counsel's representation; and (e) the fees awarded in similar cases. The Court will determine the amount of the award.

#### **OBJECTING TO THE SETTLEMENT**

18. How do I tell the Court that I do not like the proposed Settlement?

If you are a Class Member you can object to any part of the Settlement, the proposed Plan of Allocation, and the application by Class Counsel for attorneys' fees and expenses. You must write to the Court setting out your objection, giving reasons why you think the Court should not approve any part or all of the Settlement.

To object, you must send a signed letter stating that you object to the proposed settlement in the case known as: "*Broadcom Corp. Class Action Litigation, EY Settlement*, No. CV-05-5036-R (CWx)." You must include your name, address, telephone number and your signature; identify the date(s), price(s) and number of shares of all purchases, acquisitions and sales of Broadcom stock you made during the Class Period; and state the reasons why you object. This information is needed to demonstrate your membership in the Class.

Unless otherwise ordered by the Court, any Class Member who does not object in the manner described in this Notice will be deemed to have waived any objection and will not be able to make any objection to the Settlement in the future.



Your objection must be filed with the Court and delivered or mailed First-Class **so that it is received on or before November 19, 2012** by all the following:

**COURT:**

CLERK OF THE COURT  
United States District Court for the  
Central District of California – Western Div.  
Spring Street Courthouse  
312 N. Spring Street  
Los Angeles, CA 90012

**CLASS COUNSEL:**

LABATON SUCHAROW LLP  
Thomas A. Dubbs  
140 Broadway  
New York, NY 10005

**DEFENDANT’S COUNSEL:**

MORRISON & FOERSTER LLP  
Robert B. Hubbell  
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19. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can still recover from the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

**THE COURT’S SETTLEMENT HEARING**

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at 10:00 a.m. on December 3, 2012, in Courtroom 8 of the Spring Street Courthouse, the United States District Court for the Central District of California (Western Division), 312 N. Spring Street, Los Angeles, CA 90012. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. The Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the applications for attorneys’ fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out above in the answer to Question 18. We do not know how long it will take the Court to make these decisions.

You should also be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to come to the hearing, you should check with Class Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Class Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you validly submit an objection, you do not have to come to Court to talk about it.

22. May I speak at the hearing and submit additional evidence?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 18 above) a statement that it is your “notice of intention to appear in *Broadcom Corp. Class Action Litigation, EY Settlement*, No. CV-06-5036-R (CWx).” Persons who intend to object and want to present evidence at the Settlement Hearing must also include in their written objection the identity of any witness they may call to testify and exhibits they intend to introduce at the Settlement Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Hearing according to the procedures described above and in the answer to Question 18.

**IF YOU DO NOTHING**

23. What happens if I do nothing at all and I never submitted a claim in the Broadcom Settlement?

If you do nothing, and you did not submit a claim in connection with the earlier Broadcom Settlement, you will get **no money** from the EY Settlement and you **will not** be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against EY and the other Released Defendant Parties about the Released Claims in this case. To share in the Net Settlement Fund you must submit a Proof of Claim (see Question 10). To start, continue or be a part of any *other* lawsuit against EY and the other Released Defendant Parties about the Released Claims in this case you must exclude yourself from this Class (see Question 13).

24. What happens if I do nothing and I did submit a claim in the Broadcom Settlement?

If you do nothing, and you **did** submit a claim in connection with the earlier Broadcom Settlement, you will get money from the EY Settlement if your prior claim shows that you are eligible to recover from the EY Settlement. If you previously received a letter from the Claims Administrator about the rejection or ineligibility of your Broadcom claim, you must contact the Claims Administrator to rectify your claim in the EY Settlement.

You **will not** be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against EY and the other Released Defendant Parties about the Released Claims in this case. To start, continue or be a part of any *other* lawsuit against EY and the other Released Defendant Parties about the Released Claims in this case you must exclude yourself from this Class (see Question 13).

#### **GETTING MORE INFORMATION**

25. Are there more details about the proposed settlement and the lawsuit?

This Notice summarizes the proposed Settlement. More details are in the Stipulation. You may review the Stipulation filed with the Court and all documents filed in the Litigation during business hours at the Office of the Clerk of the United States District Court for the Central District of California, Spring Street Courthouse, 312 N. Spring Street, Los Angeles, CA 90012.

You also can call the Claims Administrator toll free at 866-220-2893; call Class Counsel at (888) 212-5685; write to *Broadcom Corp. Class Action Litigation, EY Settlement, c/o GCG, P.O. Box 9945, Dublin, OH 43017-5945*; or visit the websites [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY) or [www.labaton.com](http://www.labaton.com), where you can find answers to common questions about the Settlement, download copies of the Proof of Claim form, and locate other information to help you determine whether you are a Class Member and whether you are eligible for a payment. **Please Do Not Call the Court or Ernst & Young With Questions About the Settlement.**

#### **PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The \$13,000,000 Settlement Amount and any interest it earns is called the Settlement Fund. The Settlement Fund, minus all taxes, costs, fees and expenses (the Net Settlement Fund), will be distributed according to the Plan of Allocation described herein to Members of the Class who timely submit valid claims that show a Recognized Loss, as defined herein, and that are allowed by the Court ("Authorized Claimants"). You must have a net loss on all Class Period transactions in Broadcom Class A common stock to recover. Class Members who do not timely submit valid claims will not share in the Settlement proceeds, but will otherwise be bound by the terms of the Settlement. The Court may approve the Plan of Allocation with or without modifications agreed to among the Parties, or another Plan of Allocation, without further notice to the Class.

The Claims Administrator will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss," as described herein. The Plan of Allocation is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor is it intended to estimate the amount that will be paid to Authorized Claimants. The Plan of Allocation is the basis upon which the Net Settlement Fund will be proportionately divided among all the Authorized Claimants. The Court will be asked to approve the Claims Administrator's determinations before the Net Settlement Fund is distributed to Authorized Claimants. No distributions to Authorized Claimants who would receive less than \$10.00 will be made, given the administrative expenses of processing and mailing such checks.

EY, its counsel, and all other Released Defendant Parties will have no responsibility for or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation or the payment of any claim. The Class Representative and Class Counsel likewise will have no liability for their reasonable efforts to execute, administer and distribute the Settlement.

The following Plan of Allocation reflects the allegations that the price of Broadcom Class A common stock during the Class Period was inflated artificially by reason of EY's allegedly false and misleading 2005 Audit Opinion. EY denies any allegations of liability. The artificial inflation allegedly began on February 14, 2006 when Broadcom filed its Form 10-K for fiscal 2005, which attached EY's 2005 Audit Opinion. The Class Representative alleges that the 2005 Audit Opinion contained materially false and misleading representations and omissions regarding EY's audits of Broadcom, which were purportedly conducted in accordance with GAAS.

The Class Representative alleges that the artificial inflation was eliminated in May 2006 when, among other things, Merrill Lynch issued an "Industry Overview" report publicly disclosing that Broadcom was suspected of improper accounting of stock option grants; and it was disclosed that Broadcom had launched its own internal investigation. The Plan of Allocation described below was created with the assistance of a damages expert who analyzed the movement of Broadcom's Class A common stock after the alleged disclosure. It takes into account the portion of the stock drop attributable to the alleged fraud.

### **PROVISIONS OF THE PLAN OF ALLOCATION**

Each Authorized Claimant will receive a *pro rata* share of the cash in the Net Settlement Fund based on his, her or its Recognized Loss. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Loss, as defined herein. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total of all Recognized Losses, then each Authorized Claimant will be paid the percentage of the Net Settlement Fund that each Authorized Claimant's recognized claim bears to the total of the claims of all Authorized Claimants ("*pro rata* share").

For purposes of determining whether a claimant had an out-of-pocket gain from his, her, or its overall transactions in Broadcom Class A common stock during the Class Period or suffered a net loss, the Claims Administrator shall determine the difference between (i) the Total Purchase Amount<sup>4</sup> and (ii) the sum of the Sales Proceeds<sup>5</sup> and the Holding Value.<sup>6</sup> This difference will be deemed a claimant's out-of-pocket gain or loss on his, her, or its overall transactions in common stock during the Class Period.

To calculate the Recognized Loss on Broadcom Class A common stock purchased and sold during the Class Period, such sales must be matched against purchases during the Class Period. To do so, the earliest sale will be matched first against those shares in the claimant's opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period ("FIFO Matching"). This means that sales of Broadcom Class A common stock will be first matched with any pre-Class Period holdings and then matched with purchases during the Class Period in chronological order. Sales of pre-Class Period purchases shall have no Recognized Loss.

A purchase or sale of Broadcom common stock will be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. All transaction amounts for purchase and sales of Broadcom Class A common stock shall exclude commissions, taxes and fees. Any person or entity that sold Broadcom common stock "short" will have no Recognized Loss with respect to such purchase during the Class Period to cover said short sale. In the event that there is an opening short position in Broadcom Class A common stock, the earliest Class Period purchases shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered. Option contracts are not securities eligible to participate in the Settlement. Accordingly, shares of Broadcom Class A common stock purchased during the Class Period through the exercise of a call option or the assignment of a put option shall be treated as a purchase on the date of exercise or assignment for the stated exercise price set forth in the call or put option, and any Recognized Loss arising from such transaction shall be computed as provided for purchases of common stock.

Payment in this manner will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero.

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<sup>4</sup> The "Total Purchase Amount" is the total amount the claimant paid for all Broadcom Class A common stock purchased during the Class Period.

<sup>5</sup> The Claims Administrator shall match any sales of Broadcom Class A common stock during the Class Period and sales during the PSLRA 90-day look-back period first against the claimant's opening position in Broadcom Class A common stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses). The total amount received for sales of the remaining Broadcom Class A common stock during the Class Period and sales during the PSLRA 90-day look-back period that may be matched against Class Period purchases is the "Sales Proceeds."

<sup>6</sup> The Claims Administrator shall ascribe a holding price for shares purchased during the Class Period and still held at the end of the PSLRA 90-day look-back period, with such holding price being \$28.47 per share (the "Holding Value").

**Publicly Traded Broadcom Class A Common Stock**

For shares of Broadcom Class A common stock purchased between February 14, 2006 and May 25, 2006, inclusive:

- A. For shares held at the end of trading on August 23, 2006, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable Claim Per Share figure for the date of purchase, as found in Table A; or
  - (2) the amount by which the purchase price per share exceeds \$28.47.<sup>7</sup>
- B. For shares sold between February 14, 2006 and May 25, 2006, the Recognized Loss shall be that number of shares multiplied by the lesser of:<sup>8</sup>
- (1) the applicable Claim Per Share figure for the date of purchase less the applicable Claim Per Share figure for the date of sale, each as found in Table A; or
  - (2) the amount by which the purchase price per share exceeds the sales price per share.
- C. For shares sold between May 26, 2006 and August 23, 2006, the Recognized Loss shall be that number of shares multiplied by the lesser of:
- (1) the applicable Claim Per Share figure for the date of purchase, as found in Table A; or
  - (2) the amount by which the purchase price per share exceeds the average closing price<sup>9</sup> of Broadcom common stock between May 26, 2006 and the date of sale.<sup>10</sup>

**Table A**

<b><u>Purchase or Sale Transaction Date Range</u></b>	<b><u>Claim Per Share</u></b>
02/14/2006 – 05/19/2006	\$1.73
05/22/2006 – 05/25/2006	\$0.10

Dated: October 16, 2012

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

<sup>7</sup> Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated.” \$28.47 was the mean closing price of Broadcom common stock during the 90-day period beginning on May 26, 2006 and ending on August 23, 2006.

<sup>8</sup> The Recognized Loss for shares that were both purchased and sold within the same Transaction Date Range as set forth in Table A, will be zero.

<sup>9</sup> The Claims Administrator will calculate the average closing price of Broadcom Class A common stock between May 26, 2006 and the date of sale using pricing data set forth in Table B, available at [www.broadcomclassactionsettlement.com/EY](http://www.broadcomclassactionsettlement.com/EY).

<sup>10</sup> Pursuant to Section 21(D)(e)(2) of the PSLRA, “in any private action arising under this title in which the plaintiff seeks to establish damages by reference to the market price of a security, if the plaintiff sells or repurchases the subject security prior to the expiration of the 90-day period described in paragraph (1), the plaintiff’s damages shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the security and the mean trading price of the security during the period beginning immediately after dissemination of information correcting the misstatement or omission and ending on the date on which the plaintiff sells or repurchases the security.”