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14
15 **UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
16 WESTERN DIVISION**

17 In re BROADCOM CORPORATION
18 CLASS ACTION LITIGATION

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

19 **PRELIMINARY APPROVAL
ORDER PROVIDING FOR
20 NOTICE AND HEARING IN
CONNECTION WITH PROPOSED
21 CLASS ACTION SETTLEMENT
WITH ERNST & YOUNG LLP**

22
23 **Honorable Manuel L. Real**
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25 WHEREAS, as of September 27, 2012, the parties to the above-captioned
26 action (the "Litigation") entered into a Stipulation and Agreement of Settlement
27 With Ernst & Young LLP (the "Stipulation"), which is subject to review under
28 Rule 23 of the Federal Rules of Civil Procedure and which, together with the

1 exhibits thereto, sets forth the terms and conditions of the proposed settlement of
2 the claims alleged in the Consolidated Amended Complaint (“Amended
3 Complaint”) on the merits and with prejudice (the “Settlement” or “EY
4 Settlement”); and the Court having read and considered the Stipulation and the
5 accompanying exhibits; and the parties to the Stipulation having consented to the
6 entry of this Order; and all capitalized terms used herein having the meanings
7 defined in the Stipulation;

8 NOW, THEREFORE, IT IS HEREBY ORDERED, this 11th day of
9 October, 2012 that:

10 1. The Court has reviewed the Stipulation and preliminarily finds the
11 Settlement set forth therein to be fair, reasonable and adequate, subject to further
12 consideration at the Settlement Hearing described below.

13 2. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, on May
14 9, 2012, the Court entered the Order Certifying the Proposed Class and Appointing
15 Class Representative and Class Counsel, certifying this Litigation as a class action
16 on behalf of all persons and entities that purchased or otherwise acquired the Class
17 A common stock of Broadcom Corporation during the period from February 14,
18 2006 through May 25, 2006, inclusive, (the “Class Period”), and were allegedly
19 damaged thereby (the “Class”). Additionally, excluded from the Class are: the
20 current or former defendants in the Litigation; the partners, directors, and
21 principals of EY; the members of the immediate families of the former individual
22 defendants in the Litigation; the legal representatives, heirs, successors or assigns
23 of any excluded Person; any entity in which any current or former defendant has or
24 had a controlling interest; shares of Broadcom Class A common stock purchased
25 by any Broadcom employee who acquired the shares through the exercise of
26 incentive stock options from February 14, 2006 through May 25, 2006, inclusive;
27 and any Person who timely and validly seeks exclusion from the Class.
28

1 3. Lead Plaintiff New Mexico State Investment Council is the certified
2 Class Representative. The law firm of Labaton Sucharow LLP is Class Counsel.

3 4. A hearing (the “Settlement Hearing”) pursuant to Rule 23(e) of the
4 Federal Rules of Civil Procedure is hereby scheduled to be held before the Court
5 on December 3, 2012, at 10:00 a.m. for the following purposes:

6 (a) to determine whether the proposed Settlement is fair,
7 reasonable and adequate, and should be approved by the Court;

8 (b) to determine whether the Final Order and Judgment as to Ernst
9 & Young LLP (“Judgment”) as provided under the Stipulation should be entered,
10 dismissing the Amended Complaint filed herein, on the merits and with prejudice,
11 and to determine whether the release by the Class of the Released Claims, as set
12 forth in the Stipulation, should be provided to the Released Defendant Parties;

13 (c) to determine whether the proposed Plan of Allocation for the
14 proceeds of the Settlement is reasonable and should be approved by the Court;

15 (d) to consider Class Counsel’s application for an award of
16 attorneys’ fees and expenses;

17 (e) to consider Class Representative’s application, if any, for its
18 reasonable costs and expenses (including lost wages) relating to its representation
19 of the Class; and

20 (f) to rule upon such other matters as the Court may deem
21 appropriate.

22 5. The Court reserves the right to approve the Settlement with or without
23 modification and with or without further notice of any kind. The Court further
24 reserves the right to enter the Judgment approving the Settlement and dismissing
25 the Amended Complaint on the merits and with prejudice regardless of whether it
26 has approved the Plan of Allocation or awarded attorneys’ fees and expenses. The
27 Court may also adjourn the Settlement Hearing or modify any of the dates herein
28 without further notice to members of the Class.

1 6. The Court approves the form, substance and requirements of the
2 Notice of Pendency of Class Action and Proposed Settlement With Ernst & Young
3 LLP and Motion for Attorneys’ Fees and Expenses (the “Notice”) and the Proof of
4 Claim and Release form (“Proof of Claim”), substantially in the forms annexed
5 hereto as Exhibits 1 and 2 respectively.

6 7. The Court approves the appointment of The Garden City Group, Inc.
7 as the Claims Administrator. The Claims Administrator shall cause the Notice
8 and, where applicable, the Proof of Claim, substantially in the forms annexed
9 hereto, to be mailed, by first class mail, postage prepaid, on or before seven (7)
10 calendar days after entry of this order (“Notice Date”), to all Class Members who
11 can be identified with reasonable effort, including by using information provided
12 in connection with the previously approved settlement with Broadcom Corporation
13 (the “Broadcom Settlement”). The Claims Administrator shall use reasonable
14 efforts to give notice to nominee purchasers such as brokerage firms and other
15 persons or entities who purchased or otherwise acquired Broadcom Class A
16 common stock during the period from February 14, 2006 through May 25, 2006,
17 inclusive, (the “Class Period”) as record owners but not as beneficial owners by
18 using information provided in connection with the Broadcom Settlement.
19 Additional copies of the Notice and Proof of Claim shall be made available to any
20 record holder requesting such for the purpose of distribution to beneficial owners,
21 and such record holders shall be reimbursed from the Settlement Fund, after receipt
22 by the Claims Administrator of proper documentation, for their reasonable
23 expenses incurred in sending the Notices and Proofs of Claim to beneficial owners.
24 Class Counsel shall, at or before the Settlement Hearing, file with the Court proof
25 of mailing of the Notice and Proof of Claim.

26 8. The Court approves the form of the Summary Notice of Pendency of
27 Class Action and Proposed Settlement With Ernst & Young LLP and Motion for
28 Attorneys’ Fees and Expenses (“Summary Notice”) substantially in the form

1 annexed hereto as Exhibit 3 and directs that Class Counsel shall cause the
2 Summary Notice to be published in *The Wall Street Journal* and transmitted over
3 *Business Wire* within fourteen (14) calendar days of the Notice Date. Class
4 Counsel shall, at or before the Settlement Hearing, file with the Court proof of
5 publication of the Summary Notice.

6 9. The form and content of the notice program described herein, and the
7 method set forth herein of notifying the Class of the Settlement and its terms and
8 conditions, meet the requirements of Rule 23 of the Federal Rules of Civil
9 Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. §
10 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995,
11 and due process, constitute the best notice practicable under the circumstances, and
12 shall constitute due and sufficient notice to all persons and entities entitled thereto.

13 10. In order to be eligible to receive a distribution from the net monetary
14 recovery pursuant to the Settlement (the “Net Settlement Fund”), in the event the
15 Settlement is effected in accordance with the terms and conditions set forth in the
16 Stipulation, Class Members shall take the following actions and be subject to the
17 following conditions:

18 (a) A properly executed Proof of Claim must have been submitted
19 to the Claims Administrator in connection with the Broadcom Settlement or, for
20 those who did not previously submit a claim, a properly executed Proof of Claim,
21 substantially in the form attached hereto as Exhibit 2, must be submitted to the
22 Claims Administrator in connection with the EY Settlement, at the address
23 indicated in the Notice, postmarked not later than seventy (70) calendar days after
24 the Notice Date. Such deadline may be further extended by Court Order. Each
25 Proof of Claim in the EY Settlement shall be deemed to have been submitted
26 when postmarked (if properly addressed and mailed by first class mail, postage
27 prepaid) provided such Proof of Claim is actually received prior to the motion for
28 an order of the Court approving distribution of the Net Settlement Fund. Any

1 Proof of Claim submitted in any other manner shall be deemed to have been
2 submitted when it was actually received at the address designated in the Notice.
3 Any Class Member who did not timely submit a Proof of Claim in the Broadcom
4 Settlement or does not timely submit a Proof of Claim in the EY Settlement
5 within the time provided for shall be barred from sharing in the distribution of the
6 proceeds of the Net Settlement Fund, unless otherwise ordered by the Court.

7 (b) The Proof of Claim submitted by each Class Member in
8 connection with the EY Settlement must satisfy the following conditions, unless
9 otherwise ordered by the Court: (i) it must be properly completed, signed and
10 submitted in a timely manner in accordance with the provisions of the preceding
11 subparagraph; (ii) it must be accompanied by adequate supporting documentation
12 for the transactions reported therein, in the form of broker confirmation slips,
13 broker account statements, an authorized statement from the broker containing the
14 transactional information found in a broker confirmation slip, or such other
15 documentation as is deemed adequate by Class Counsel; (iii) if the person
16 executing the Proof of Claim is acting in a representative capacity, a certification
17 of her current authority to act on behalf of the Class Member must be included in
18 the Proof of Claim; and (iv) the Proof of Claim must be complete and contain no
19 material deletions or modifications of any of the printed matter contained therein
20 and must be signed under penalty of perjury.

21 (c) As part of the Proof of Claim submitted by each Class Member
22 in connection with the EY Settlement, each Class Member shall submit to the
23 jurisdiction of the Court with respect to the claim submitted, and shall (subject to
24 effectuation of the Settlement) release all Released Claims as provided in the
25 Stipulation.

26 (d) Each Proof of Claim submitted by each Class Member in
27 connection with the EY Settlement shall be submitted to and reviewed by the
28 Claims Administrator, under the supervision of Class Counsel, who shall

1 determine in accordance with this Stipulation the extent, if any, to which each
2 claim shall be allowed, subject to review by the Court.

3 (e) Proofs of Claim submitted by each Class Member in
4 connection with the EY Settlement that do not meet the submission requirements
5 may be rejected. Prior to rejection of a Proof of Claim, the Claims Administrator
6 shall communicate with the claimant in order to afford the claimant the
7 opportunity to remedy curable deficiencies in the Proof of Claim submitted. The
8 Claims Administrator, under supervision of Class Counsel, shall notify, in a
9 timely fashion and in writing, all claimants whose Proofs of Claim they propose to
10 reject in whole or in part, setting forth the reasons therefore, and shall indicate in
11 such notice that the claimant whose claim is to be rejected in whole or in part has
12 the right to a review by the Court if such claimant so desires and if such claimant
13 complies with the requirements below.

14 (f) If any claimant who is notified by the Claims Administrator
15 that the Claims Administrator intends to propose that his, her or its claim be
16 rejected in whole or in part desires to contest such rejection, such claimant must,
17 within the deadline established by the Claims Administrator, serve upon the
18 Claims Administrator a notice and statement of reasons indicating the claimant's
19 grounds for contesting the rejection along with any supporting documentation,
20 and requesting a review thereof by the Court. If a dispute concerning a claim
21 cannot be otherwise resolved, Class Counsel shall thereafter present the request
22 for review to the Court.

23 11. Class Members shall be bound by all orders, determinations and
24 judgments in this Litigation, whether favorable or unfavorable, unless such persons
25 request exclusion from the Class in a timely and proper manner, as hereinafter
26 provided. A Class Member wishing to make such an exclusion request shall mail
27 the request in written form by first class mail so that it is received no later than
28 fourteen (14) calendar days prior to the date set herein for the Settlement Hearing,

1 to the address designated in the Notice for such exclusions. Such request for
2 exclusion shall clearly indicate the name, address and telephone number of the
3 person seeking exclusion, that the sender requests to be excluded from the Class in
4 *In re Broadcom Corp. Class Action Litigation*, No. CV-06-5036-R (CWx), and
5 must be signed by such person. Such persons requesting exclusion are also
6 directed to state: the date(s), price(s), and number(s) of shares of all purchases,
7 acquisitions, and sales of Broadcom common stock during the Class Period. The
8 request for exclusion shall not be effective unless it provides the required
9 information and is made within the time stated above, or the exclusion is otherwise
10 accepted by the Court.

11 12. Class Members requesting exclusion from the Class shall not be
12 entitled to receive any payment out of the Net Settlement Fund as described in the
13 Stipulation and Notice.

14 13. The Court will consider objections to the Settlement, the Plan of
15 Allocation, the award of attorneys' fees or reimbursement of expenses only if such
16 objections and any supporting papers are filed in writing with:

17 Clerk of the Court
18 United States District Court
19 for the Central District of California
20 Spring Street Courthouse
312 N. Spring Street,
Los Angeles, CA 90012

21 and copies of all such papers are delivered or sent by first class mail so that they
22 are received on or before fourteen (14) calendar days prior to the date set herein for
23 the Settlement Hearing, upon each of the following:

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

MORRISON & FOERSTER LLP
Robert B. Hubbell
555 West Fifth Street
Los Angeles, CA 90013

26 *On behalf of Class Representative*
27 *and the Class*

On behalf of the Defendant

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1 Attendance at the hearing is not necessary; however, persons wishing to be heard
2 orally in opposition to the approval of the Settlement, the Plan of Allocation,
3 and/or the requests for attorneys' fees and other expenses are required to indicate
4 in their written objection their intention to appear at the hearing. Persons who
5 intend to object to the Settlement, the Plan of Allocation, and/or the requests for an
6 award of attorneys' fees and other expenses and desire to present evidence at the
7 Settlement Hearing must include in their written objections the identity of any
8 witnesses they may call to testify and exhibits they intend to introduce into
9 evidence at the Settlement Hearing. Class Members do not need to appear at the
10 hearing or take any other action to indicate their approval.

11 14. Any Class Member who does not make his, her or its objection in the
12 manner provided shall be deemed to have waived such objection and shall forever
13 be foreclosed from making any objection to the fairness, reasonableness or
14 adequacy of the Settlement, to the Plan of Allocation, and/or the requests for an
15 award of attorneys' fees and other expenses, unless otherwise ordered by the
16 Court, but shall otherwise be bound by the judgment to be entered and the releases
17 to be given.

18 15. Pending final determination of whether the Settlement should be
19 approved, Class Representative, all Class Members, and each of them, and anyone
20 who acts or purports to act on their behalf, shall not institute, commence or
21 prosecute any action which asserts Released Claims against the Released
22 Defendant Parties.

23 16. As provided in the Stipulation, Class Counsel may pay the Claims
24 Administrator a portion of the reasonable fees and costs associated with giving
25 notice to the Class and the review of claims and administration of the Settlement
26 out of the Settlement Fund, including paying taxes, without further order of the
27 Court.

1 17. All papers in support of the Settlement, Plan of Allocation, Class
2 Counsel's request for an award of attorneys' fees and expenses and Class
3 Representative's request, if any, for its reasonable costs and expenses (including
4 lost wages) relating to its representation of the Class shall be filed with the Court
5 and served by overnight mail or hand delivery on or before thirty-one (31) calendar
6 days prior to the date set herein for the Settlement Hearing. Any reply papers in
7 further support of the above motions shall be served and filed on or before seven
8 (7) calendar days prior to the Settlement Hearing.

9 18. No person who is not a Class Member, Class Representative or Class
10 Counsel shall have any right to any portion of, or to any distribution of, the Net
11 Settlement Fund unless otherwise ordered by the Court or otherwise provided in
12 the Stipulation.

13 19. All funds held in escrow shall be deemed and considered to be in
14 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court
15 until such time as such funds shall be distributed pursuant to the Stipulation and/or
16 further order of the Court.

17 20. If any specified condition to the Settlement set forth in the Stipulation
18 is not satisfied and Class Representative, Class Counsel or EY elect to terminate
19 the Settlement as provided in paragraphs 39 through 41 of the Stipulation, then, in
20 any such event, the Stipulation, including any amendment(s) thereof, except as
21 expressly provided in the Stipulation, and this Preliminary Approval Order shall be
22 null and void, of no further force or effect, and without prejudice to any Party, and
23 may not be introduced as evidence or used in any actions or proceedings by any
24 person or entity against the Parties, and each Party shall be restored to his, her or
25 its respective litigation position as it existed prior to the execution of the
26 Agreement in Principle by the Parties on September 13, 2012.

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21. The Court retains exclusive jurisdiction over the Litigation to consider all further matters arising out of or connected with the Settlement.

Dated: October 12, 2012



Honorable Manuel L. Real
UNITED STATES DISTRICT JUDGE