

EXECUTION COPY

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

17 In re BROADCOM CORPORATION }
18 CLASS ACTION LITIGATION } Lead Case No.: CV-06-5036-R (CWx)
19 }
20 } STIPULATION AND AGREEMENT
21 } OF SETTLEMENT WITH ERNST &
22 } YOUNG LLP
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1 This stipulation and agreement of settlement (“Stipulation,” “Settlement”, or
2 “EY Settlement”) is made and entered into by and between New Mexico State
3 Investment Council (“Lead Plaintiff” or “Class Representative”), on behalf of itself
4 and the certified Class, and Ernst & Young LLP (“EY” and, collectively, the
5 “Parties”).

6 **WHEREAS:**

7 A. All words or terms used herein that are capitalized shall have the
8 meaning ascribed to those words or terms as set forth below and in ¶ 1 hereof
9 entitled “Certain Definitions.”

10 B. On October 12, 2006, the Class Representative filed a motion with the
11 U.S. District Court for the Central District of California (the “Court”) for
12 appointment as lead plaintiff in the above-referenced action, entitled *In re*
13 *Broadcom Corporation Class Action Litigation* (the “Litigation”). By order dated
14 November 27, 2006, the Court appointed New Mexico to serve as Lead Plaintiff
15 and, on April 3, 2008, approved its selection of Thomas A. Dubbs of Labaton
16 Sucharow LLP to serve as Lead Counsel.

17 C. On April 21, 2008, the Class Representative filed a Consolidated
18 Class Action Complaint (the “Consolidated Complaint”), alleging claims under
19 Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against
20 defendants Broadcom Corporation (“Broadcom”), Henry Samueli (“Samueli”),
21 Henry T. Nicholas, III (“Nicholas”), William J. Ruehle (“Ruehle”), David A. Dull
22 (“Dull”), Werner F. Wolfen (“Wolfen”), Alan E. Ross (“Ross”), George L.
23 Farinsky (“Farinsky”) and EY. The Consolidated Complaint asserted claims on
24 behalf of all persons and entities who purchased or otherwise acquired Broadcom’s
25 Class A common stock during the period between July 21, 2005 and July 13, 2006,
26 inclusive.

27 D. On June 20, 2008, each of the defendants moved to dismiss the
28 Consolidated Complaint. On October 6, 2008, the Court granted defendants’

1 motions to dismiss, without prejudice, finding that the Consolidated Complaint
2 failed to adequately allege loss causation.

3 E. On October 27, 2008, the Class Representative filed a Consolidated
4 Amended Class Action Complaint (the “Amended Complaint”). The Amended
5 Complaint set forth additional alleged facts concerning defendants’ alleged
6 scienter, and provides a detailed discussion of the Class Representative’s purported
7 loss causation theory, as devised by the Class Representative and its economic
8 consultants.

9 F. Each defendant moved to dismiss the Amended Complaint on
10 November 24, 2008. On February 4, 2009, the Court entered an Order dismissing
11 all claims asserted against Nicholas with prejudice. On February 10, 2009, the
12 Court entered an Order dismissing with leave to amend all claims asserted against
13 EY and Farinsky. On February 11, 2009, the Court entered an Order denying the
14 remaining defendants’ motions to dismiss.

15 G. On February 18, 2009, the Class Representative filed a notice of intent
16 not to amend the Amended Complaint as to EY and Farinsky, acknowledging that,
17 as a result, the orders dismissing both parties were with prejudice. The Class
18 Representative appealed the dismissal of EY to the United States Court of Appeals
19 for the Ninth Circuit (the “Court of Appeals”).

20 H. On March 4, 2009, the Court appointed John Francis Carroll as
21 Special Master to oversee certain pre-trial matters in this Litigation. Throughout
22 the course of this Litigation, the parties raised and briefed a number of disputes
23 before Special Master Carroll.

24 I. In December 2009, the court in the Criminal Action dismissed the
25 criminal charges against Broadcom’s former CEO and former CFO, as well as
26 charges against Broadcom’s then-former Chief Technical Officer in the criminal
27 action captioned *U.S. v. Samueli*, Case No. CR-08-00156 (C.D. Cal.) (collectively
28 with the Criminal Action, the “Criminal Actions”).

1 J. In connection with the ongoing litigation with Broadcom, the Class
2 Representative issued seven (7) document requests and fourteen (14) subpoenas to
3 Defendants and various third parties, and reviewed and analyzed over 4 million
4 pages of responsive documents.

5 K. On August 12, 2010, the Court entered the Final Order and Judgment
6 as to Broadcom Defendants, approving a settlement between the Class
7 Representative, Broadcom, and certain related defendants (the “Broadcom
8 Settlement”), which is now effective.

9 L. On November 1, 2010, the Court of Appeals heard oral argument
10 from the Parties. By order entered April 14, 2011, the Court of Appeals reversed
11 the Court’s ruling granting EY’s motion to dismiss, and remanded the case for
12 further proceedings consistent with its opinion.

13 M. Following remand, EY filed a motion to dismiss on the ground of loss
14 causation, an issue not addressed in the Court’s order entered February 10, 2009 or
15 the Court of Appeal’s opinion. Following oral argument on EY’s motion to dismiss
16 on August 9, 2011, by order entered August 19, 2011, the Court denied EY’s
17 motion. Discovery commenced thereafter, with the Class Representative issuing
18 additional document requests to EY and receiving additional document
19 productions.

20 N. On May 9, 2012, the Court entered the Order Certifying the Proposed
21 Class and Appointing Class Representative and Class Counsel (the “Class
22 Certification Order”).

23 O. The parties in the shareholder derivative action captioned *In re:*
24 *Broadcom Corp. Derivative Litigation*, Docket No. 06-cv-3252, pending in the
25 U.S. District Court for the Central District of California (the “Derivative Action”),
26 have settled that action.

27 P. Settlement discussions concerning the Litigation initially commenced
28 in late Spring 2008. The Class Representative attended a mediation session with

1 all defendants, including EY, on June 17, 2008, before the Honorable Daniel
2 Weinstein (Ret.) and Special Master Carroll, who had been presiding over
3 settlement discussions in the Derivative Action. Although the June 17 mediation
4 session did not result in a settlement at that time, it laid the groundwork for the
5 parties to resume their settlement discussions at a later date.

6 Q. Thereafter, settlement discussions resumed and on May 31, 2012, the
7 Class Representative and EY participated in a full-day mediation, attended by
8 client representatives on both sides, regarding potential settlement of the Litigation
9 facilitated by Special Master Carroll and Hon. Layn R. Phillips (Ret.). In
10 connection with the mediation process, the Class Representative conducted arm's-
11 length negotiations with respect to a potential compromise and settlement of the
12 Litigation with a view toward achieving the best relief possible consistent with the
13 interests of the Class. The Parties were unable to reach agreement as to a
14 settlement at the conclusion of the mediation session, however they did reach an
15 agreement on a streamlined discovery plan that would, among other things, utilize
16 testimony taken in the Derivative Action so that deposition discovery could
17 commence on an expedited basis. In accordance with the discovery plan, the
18 parties completed all depositions of percipient witnesses and document discovery
19 by August 2012.

20 R. Discovery provided a foundation for continued settlement discussions.
21 On September 5, 2012, the Class Representative and EY participated in a second
22 full-day mediation session facilitated again by Special Master Carroll and Judge
23 Phillips, which was also attended by client representatives. The discussions were
24 frank and arm's-length, however the Parties were unable on that day to bridge the
25 gap between their positions and reach an agreement. The mediators did make a
26 proposal to the Class Representative and EY for each to consider. This proposal
27 was ultimately accepted by the Parties and on September 13, 2012, they entered
28 into the Agreement in Principle to settle the Litigation.

1 S. EY has denied and continues to deny any fault, liability, or
2 wrongdoing of any kind. EY has denied and continues to deny each and all of the
3 claims and contentions alleged by Class Representative on behalf of the Class.
4 Although Broadcom restated certain of its financial statements due to stock option
5 issues, EY has denied and continues to deny, among other things, the allegations
6 that the price of Broadcom stock was artificially inflated by reasons of any alleged
7 “scheme,” misrepresentations, omissions, or otherwise. EY further maintains that
8 throughout the Class Period it engaged in no fraudulent scheme. EY has further
9 denied and continues to deny that Class Representative or any other Broadcom
10 shareholder or any member of the Class was harmed or suffered any loss as a result
11 of the conduct alleged in the Litigation. This Stipulation, whether or not
12 consummated, any proceedings relating to any settlement, or any of the terms of
13 any settlement, whether or not consummated, shall in no event be construed as, or
14 deemed to be evidence of, an admission or concession on the part of EY with
15 respect to any claim or of any fault or liability or wrongdoing or damage
16 whatsoever, or any infirmity in any defense that EY has or could have asserted.
17 EY states that it is entering into this Settlement to eliminate the burden, expense,
18 uncertainty, distraction and risk of further litigation.

19 T. Class Representative believes that the claims asserted in the Litigation
20 have merit and that the evidence developed to date supports the claims asserted.
21 However, Class Representative and Class Counsel recognize and acknowledge the
22 expense and length of continued proceedings necessary to prosecute the Litigation
23 against EY through trial and appeals. Class Representative and Class Counsel also
24 have taken into account the uncertain outcome and the risk of any litigation,
25 especially in complex actions such as the Litigation, as well as the difficulties and
26 delays inherent in such litigation. Class Counsel also is mindful of the inherent
27 problems of proof of and the possible defenses to the violations asserted in the
28 Litigation. Class Representative and Class Counsel believe that the settlement set

1 forth in this Stipulation confers substantial monetary benefits upon the Class.
2 Based on their evaluation, Class Representative and Class Counsel have
3 determined that the settlement set forth in this Stipulation is in the best interests of
4 Class Representative and the Class.

5 **NOW THEREFORE**, without any concession by Class Representative that
6 the Litigation lacks merit, and without any concession by EY of any liability or
7 wrongdoing or lack of merit in its defenses, it is hereby **STIPULATED AND**
8 **AGREED**, by and among the Parties to this Stipulation, through their respective
9 attorneys, subject to approval by the Court pursuant to Rule 23(e) of the Federal
10 Rules of Civil Procedure, that, in consideration of the benefits flowing to the
11 Parties hereto, all Released Claims and all Released Defendant's Claims as against
12 all Released Parties shall be compromised, settled, released and dismissed with
13 prejudice, and without costs, upon and subject to the following terms and
14 conditions:

15
16 **CERTAIN DEFINITIONS**

17 1. As used in this Stipulation and the exhibits annexed hereto, the
18 following terms shall have the meanings set forth below:

19 (a) "Authorized Claimant" means a Class Member who timely
20 submits a valid claim to the Claims Administrator, which claim is allowed by the
21 Court.

22 (b) "Claims Administrator" means the firm of The Garden City
23 Group, Inc., which has been retained by Class Counsel, subject to Court approval,
24 to issue notice, process claims and administer the Settlement.

25 (c) "Class" means all persons and entities that purchased or
26 otherwise acquired the Class A common stock of Broadcom Corporation during
27 the period from February 14, 2006 through May 25, 2006, inclusive, and were
28 allegedly damaged thereby, as set forth in the Class Certification Order. In

1 addition to the terms of the Class Certification Order, excluded from the Class are:
2 the current or former defendants in the Litigation; the partners, directors, and
3 principals of EY; the members of the immediate families of the former individual
4 defendants in the Litigation; the legal representatives, heirs, successors or assigns
5 of any excluded Person; any entity in which any current or former defendant has or
6 had a controlling interest; shares of Broadcom Class A common stock purchased
7 by any Broadcom employee who acquired the shares through the exercise of
8 incentive stock options from February 14, 2006 through May 25, 2006, inclusive;
9 and any Person who timely and validly seeks exclusion from the Class.

10 (d) “Class Certification Order” means the Order Certifying the
11 Proposed Class and Appointing Class Representative and Class Counsel, entered
12 by the Court on May 9, 2012, which certified the Class, set forth the Class Period,
13 appointed the Class Representative, and appointed Class Counsel.

14 (e) “Class Counsel” means the law firm of Labaton Sucharow LLP.

15 (f) “Class Member” means any person or entity that is a member of
16 the Class and not excluded therefrom.

17 (g) “Class Period” means the period from February 14, 2006
18 through May 25, 2006, inclusive.

19 (h) “Company” means Broadcom Corporation.

20 (i) “Court” means the United States District Court for the Central
21 District of California, Western Division.

22 (j) “Defendant” means EY.

23 (k) “Defendant’s Counsel” means the law firm of Morrison &
24 Foerster LLP.

25 (l) “Derivative Action” means the shareholder derivative action
26 captioned *In re: Broadcom Corp. Derivative Litigation*, Docket No. 06-cv-3252,
27 pending in the U.S. District Court for the Central District of California, with
28 respect to which all parties reserve their rights.

1 (m) “Distribution Order” means an order of the Court approving the
2 Claims Administrator’s administrative determinations concerning the acceptance
3 and rejection of the claims to the Settlement and approving any fees and expenses
4 not previously paid, including the fees and expenses of the Claims Administrator
5 and, if the Effective Date has occurred, directing payment of the Net Settlement
6 Fund to Authorized Claimants.

7 (n) “Effective Date” has the meaning set forth in ¶ 38.

8 (o) “Escrow Account” means the interest bearing account to be
9 established by Class Counsel at a federally-insured banking institution.

10 (p) “Escrow Agent” means Class Counsel.

11 (q) “Final,” with respect to any Court order, including but not
12 limited to the Judgment, means the later of: (i) if there is an appeal from the
13 Judgment or order, the date of final affirmance on appeal and the expiration of the
14 time for any further judicial review whether by appeal, reconsideration or a petition
15 for a writ of certiorari and, if certiorari is granted, the date of final affirmance of
16 the Judgment or order following review pursuant to the grant; or (ii) the date of
17 final dismissal of any appeal from the Judgment or order or the final dismissal of
18 any proceeding on certiorari to review the Judgment or order; or (iii) the expiration
19 of the time for the filing or noticing of any appeal or petition for certiorari from the
20 Court’s Judgment or order, which is thirty (30) calendar days after the Judgment or
21 order is entered on the Court’s docket (or, if the date for taking an appeal or
22 seeking review of the Judgment or order shall be extended beyond this time by
23 order of the Court, by operation of law or otherwise, or if such extension is
24 requested, the date of expiration of any extension if any appeal or review is not
25 sought); or (iv) if the Court enters a judgment in a form other than set forth in
26 Exhibit B hereto (an “Alternative Judgment”) and the Settlement is not terminated,
27 the date that such Alternative Judgment becomes final as defined in parts (i) to (iii)
28 above and no longer subject to appeal or review However, any appeal or

1 proceeding seeking subsequent judicial review pertaining solely to the Plan of
2 Allocation of the Net Settlement Fund, or to the Court’s award of attorneys’ fees or
3 expenses, shall not in any way delay or affect the time set forth above for the
4 Judgment or Alternative Judgment to become Final, or otherwise preclude the
5 Judgment or Alternative Judgment from becoming Final.

6 (r) “Judgment” means the proposed judgment to be entered
7 approving the Settlement substantially in the form attached hereto as Exhibit B.

8 (s) “Litigation” means *In re Broadcom Corp. Class Action*
9 *Litigation*, Docket No. cv-06-5036-R (CWx), pending in the United States District
10 Court for the Central District of California, Western Division, before the
11 Honorable Manuel L. Real.

12 (t) “Net Settlement Fund” means the Settlement Fund less: (i)
13 Court awarded attorneys’ fees and expenses; (ii) Notice and Administration
14 Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court,
15 including any award to the Class Representative of its reasonable costs and
16 expenses (including lost wages).

17 (u) “Notice” means the Notice of Pendency of Class Action and
18 Proposed Settlement with Ernst & Young LLP and Motion for Attorneys’ Fees and
19 Expenses, which is to be sent to members of the Class substantially in the form
20 attached hereto as Exhibit 1 to Exhibit A hereto.

21 (v) “Notice and Administration Expenses” means all fees and
22 expenses incurred in connection with: (i) the preparation and printing of the
23 Notice; (ii) providing notice to the Class by mail, publication and other means; (iii)
24 receiving, reviewing, and/or calculating claims; (iv) applying the Plan of
25 Allocation; (v) corresponding with Class Members; and (vi) fees related to the
26 Escrow Account and investment of the Settlement Fund.

27 (w) “Party” or “Parties” means EY, the Class and Class
28 Representative.

1 (x) "Person" means an individual, his or her spouse, corporation
2 (including all divisions and subsidiaries), general or limited partnership,
3 association, joint stock company, joint venture, limited liability company,
4 professional corporation, estate, legal representative, trust, unincorporated
5 association, government or any political subdivision or agency thereof, and any
6 other business or legal entity and its heirs, predecessors, successors, representatives
7 or assigns.

8 (y) "Preliminary Approval Order" means the proposed order
9 preliminarily approving the Settlement and directing notice to the Class of the
10 pendency of the Litigation and of the Settlement, which shall be substantially in
11 the form attached hereto as Exhibit A.

12 (z) "Proof of Claim" means the Proof of Claim and Release form
13 for submitting a claim, which shall be substantially in the form attached as Exhibit
14 2 to Exhibit A hereto.

15 (aa) "Released Claims" collectively means any and all claims, debts,
16 demands, rights, causes of action or liabilities (including, but not limited to, any
17 claims for negligence, gross negligence, recklessness, intentional conduct,
18 damages, interest and any other costs, expenses or liability) of every nature and
19 description whatsoever, known or unknown, whether based on federal, state, local,
20 statutory or common law or any other law, rule or regulation, whether fixed or
21 contingent, suspected or unsuspected, whether or not concealed or hidden, accrued
22 or unaccrued, liquidated or not liquidated, at law or in equity, matured or not
23 matured, Class-wide or individual in nature, including both known claims and
24 Unknown Claims (as defined below), (a) that have been asserted in this Litigation
25 by the Class Members or any of them against any of the Released Defendant
26 Parties, or (b) that could have been asserted in the Litigation or any other forum by
27 the Class Members or any of them against any of the Released Defendant Parties,
28 that arise out of, are based upon, or relate in any way to the allegations,

1 transactions, facts, matters or occurrences, representations or omissions involved,
2 set forth, or referred to in the Litigation or that arise out of, are based upon, or
3 relate in any way to Broadcom's grants of stock options between April 1998 and
4 May 2003 and EY's 2005 audit opinion relating thereto and the purchase or sale of
5 Broadcom Class A common stock during the Class Period. Released Claims do
6 not include: (i) the plaintiffs' claims asserted in the Derivative Action and/or the
7 State Derivative Action; (ii) claims to enforce the Settlement; (iii) claims
8 Broadcom has brought against EY and claims that EY has brought against
9 Broadcom, if any; or (iv) any governmental or regulatory agency's claims asserted
10 in any criminal or civil action against any of the current or former defendants.

11 (bb) "Released Defendant's Claims" means all claims, rights and
12 causes of action of every nature and description, whether known or Unknown (as
13 defined below), whether arising under federal, state, or any other law, that EY
14 asserted, or could have asserted, against any of the Released Plaintiff Parties that
15 arise out of or relate in any way to the commencement, prosecution, settlement or
16 resolution of the Litigation (other than claims to enforce the Settlement).

17 (cc) "Released Defendant Parties" means EY; each of its current or
18 former officers, directors, employees, partners, principals, agents, attorneys,
19 personal or legal representatives, consultants, experts, predecessors, successors,
20 parents, subsidiaries, divisions, joint ventures, assigns, general or limited partners
21 or partnerships, limited liability companies, spouses, heirs, executors, estates,
22 administrators, related or affiliated entities; and any entity in which EY has a
23 controlling interest.

24 (dd) "Released Parties" means the Released Defendant Parties and
25 the Released Plaintiff Parties collectively.
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1 (ee) “Released Plaintiff Parties” means Class Representative, the
2 Class, Class Counsel and their respective partners, employees, heirs, executors,
3 administrators, trustees, successors, predecessors and assigns.

4 (ff) “Settlement” means the resolution of the Litigation as against
5 EY in accordance with the terms and provisions of this Stipulation.

6 (gg) “Settlement Amount” means the total principal amount of
7 \$13,000,000.00 in cash.

8 (hh) “Settlement Fund” means (i) \$13,000,000.00 in cash to be paid
9 by or on behalf of EY into the Escrow Account (as set forth in ¶ 5 below) and (ii)
10 any earnings on any monies held in the Escrow Account.

11 (ii) “Settlement Hearing” means the hearing to be held by the Court
12 to determine whether the proposed Settlement is fair, reasonable and adequate and
13 should be approved.

14 (jj) “State Derivative Action” means the consolidated state actions
15 known as *In re Broadcom Corp. Derivative Litigation*, Lead Case No. 06CC00124,
16 pending in the Superior Court of the State of California, County of Orange.

17 (kk) “Stipulation” means this Stipulation and Agreement of
18 Settlement with Ernst & Young LLP.

19 (ll) “Summary Notice” means the Summary Notice of Pendency of
20 Class Action and Proposed Settlement With Ernst & Young LLP and Motion for
21 Attorneys’ Fees and Expenses for publication, which shall be substantially in the
22 form attached as Exhibit 3 to Exhibit A hereto.

23 (mm) “Taxes” means all taxes on the income of the Settlement Fund
24 and expenses and costs incurred in connection with the taxation of the Settlement
25 Fund (including, without limitation, interest, penalties and the expenses of tax
26 attorneys and accountants).

27 (nn) “Unknown Claims” means any and all Released Claims, which
28 the Class Representative or any Class Member does not know or suspect to exist in

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

12 **A general release does not extend to claims which the**
13 **creditor does not know or suspect to exist in his or her**
14 **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.

15 Class Representative, the Class Members or EY may hereafter discover facts in
16 addition to or different from those which he, she, or it now knows or believes to be
17 true with respect to the subject matter of the Released Claims, but Class
18 Representative and EY shall expressly, fully, finally and forever settle and release,
19 and each Class Member shall be deemed to have settled and released, and upon the
20 Effective Date and by operation of the Judgment shall have settled and released,
21 fully, finally, and forever, any and all Released Claims, without regard to the
22 subsequent discovery or existence of such different or additional facts. Class
23 Representative and EY acknowledge, and other Class Members by operation of
24 law shall be deemed to have acknowledged, that the inclusion of “Unknown
25 Claims” in the definition of Released Claims and Released Defendant’s Claims
26 was separately bargained for and was a key element of the Settlement.
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SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation are, subject to approval by the Court and such approval becoming Final, in full and final disposition of the Litigation with respect to the Released Parties and any and all Released Claims and Released Defendant’s Claims.

3. As of the Effective Date, Class Representative and each and every Class Member on behalf of themselves, and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns by operation of the Judgment, shall have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined, without the necessity of posting a bond, from commencing, instituting, prosecuting or maintaining any of the Released Claims against any of the Released Defendant Parties.

4. As of the Effective Date, EY, on behalf of itself and its heirs, executors, trustees, administrators, predecessors, successors and assigns by operation of the Judgment, shall have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Defendant’s Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined, without the necessity of posting a bond, from commencing, instituting, prosecuting or maintaining any of the Released Defendant’s Claims against any of the Released Plaintiff Parties.

THE SETTLEMENT CONSIDERATION

5. In full settlement of the claims asserted in the Litigation against EY and in consideration of the releases specified in ¶¶ 3 and 4, above, EY shall pay or cause to be paid the sum of \$13,000,000.00 in cash (the “Settlement Amount”). The Settlement Amount shall be deposited by or on behalf of EY into the Escrow

1 Account, by wire transfer pursuant to instructions to be supplied by Class Counsel,
2 no later than ten (10) calendar days after the date on which the Court enters an
3 order preliminarily approving the Settlement. The Settlement Amount together
4 with any interest shall constitute the Settlement Fund.

5 6. With the sole exception of EY's obligation to make payment into the
6 Escrow Account as provided for in ¶ 5, the Released Defendant Parties and
7 Defendant's Counsel shall have no responsibility or liability with respect to the
8 Escrow Account or the monies maintained in the Escrow Account, including,
9 without limitation, any responsibility or liability related to any fees, taxes and tax
10 expenses, investment decisions, maintenance, supervision or distributions of any
11 portion of the Settlement Amount.

12
13 **USE AND TAX TREATMENT OF SETTLEMENT FUND**

14 7. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay
15 Notice and Administration Expenses; (iii) to pay any attorneys' fees and expenses
16 awarded by the Court; (iv) to pay any costs and expenses allowed by the Private
17 Securities Litigation Reform Act, 15 U.S.C. §78u-4, and awarded to Class
18 Representative by the Court; and (v) to pay claims to Authorized Claimants.

19 8. The Net Settlement Fund shall be distributed to Authorized Claimants
20 as provided in ¶¶ 21 through 33 hereof. The Net Settlement Fund shall remain in
21 escrow prior to the Effective Date. All funds held in the Escrow Account shall be
22 deemed to be in the custody of the Court and shall remain subject to the
23 jurisdiction of the Court until such time as the funds shall be distributed or
24 returned, pursuant to ¶ 43 of this Stipulation, and/or further order of the Court.
25 The Escrow Agent shall invest funds in the Escrow Account in instruments backed
26 by the full faith and credit of the United States Government (or a mutual fund
27 invested solely in such instruments), or deposit some or all of the funds in non-
28 interest-bearing transaction account(s) that are fully insured by the Federal Deposit

1 Insurance Corporation (“FDIC”) in amounts that are up to the limit of FDIC
2 insurance. The Released Defendant Parties and Defendant’s Counsel shall have no
3 responsibility for, interest in, or liability whatsoever with respect to investment
4 decisions or the actions of the Escrow Agent, or any transaction executed by the
5 Escrow Agent.

6 9. After the Settlement Amount has been paid into the Escrow Account
7 in accordance with ¶ 5 above, the Parties agree to treat the Settlement Amount as a
8 “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1. In
9 addition, Class Counsel shall timely make, or cause to be made, such elections as
10 necessary or advisable to carry out the provisions of this paragraph, including the
11 “relation-back election” (as defined in Treas. Reg. § 1.468B-1) back to the earliest
12 permitted date. Such election shall be made in compliance with the procedures and
13 requirements contained in such regulations. It shall be the responsibility of Class
14 Counsel to timely and properly prepare and deliver, or cause to be prepared and
15 delivered, the necessary documentation for signature by all necessary parties, and
16 thereafter take all such actions as may be necessary or appropriate to cause the
17 appropriate filing to occur.

18 (a) For the purposes of Section 468B of the Internal Revenue Code
19 of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the
20 “administrator” shall be Class Counsel or its successor, which shall timely and
21 properly file, or cause to be filed, all informational and other tax returns necessary
22 or advisable with respect to the interest earned on the fund deposited in the Escrow
23 Account (including without limitation the returns described in Treas. Reg. §
24 1.468B-2(k)). Such returns (as well as the election described above) shall be
25 consistent with this subparagraph and in all events shall reflect that all taxes
26 (including any estimated taxes, interest, or penalties) on the income earned on the
27 funds deposited in the Escrow Account shall be paid out of such funds as provided
28 in subparagraph (c) hereof.

1 (b) Taxes on the income of the Settlement Fund and expenses and
2 costs incurred in connection with the taxation of the Settlement Fund (including,
3 without limitation, interest, penalties and the expenses of tax attorneys and
4 accountants) (collectively “Taxes”), shall be paid solely out of the Escrow
5 Account. In all events, the Released Defendant Parties and Defendant’s Counsel
6 shall have no liability or responsibility whatsoever for the Taxes or the filing of
7 any tax returns or other documents with the Internal Revenue Service or any other
8 state or local taxing authority. In the event any Taxes are owed by any of the
9 Released Defendant Parties on any interest earned on the funds on deposit in the
10 Escrow Account, such amounts shall also be paid out of the Escrow Account. Any
11 Taxes owed on any interest earned on the Settlement Amount prior to its transfer to
12 the Escrow Account shall be the sole responsibility of EY.

13 (c) Taxes shall be treated as, and considered to be, a cost of
14 administration of the Settlement and shall be timely paid, or caused to be paid, by
15 Class Counsel out of the Escrow Account without prior order from the Court or
16 approval of EY, and Class Counsel shall be obligated (notwithstanding anything
17 herein to the contrary) to withhold from distribution to Authorized Claimants any
18 funds necessary to pay such amounts (as well as any amounts that may be required
19 to be withheld under Treas. Reg. § 1.468B-2(1)(2)). The Parties agree to cooperate
20 with each other, their tax attorneys, and accountants to the extent reasonably
21 necessary to carry out the provisions of this paragraph.

22 10. This is not a claims-made settlement. As of the Effective Date, EY
23 shall not have any right to the return of the Settlement Fund or any portion thereof
24 for any reason.

25
26 **ATTORNEYS’ FEES AND EXPENSES**

27 11. Class Counsel, on behalf of all plaintiffs’ counsel in the Litigation,
28 will apply to the Court for an award from the Settlement Fund of (i) attorneys’ fees

1 and (ii) reimbursement of litigation expenses incurred in prosecuting the Litigation,
2 plus any interest on such amounts at the same rate and for the same periods as
3 earned by the Settlement Fund (“Fee and Expense Application”). EY and its
4 counsel shall take no position on the Fee and Expense Application. The timing set
5 forth below in ¶ 12 for payment of any attorneys’ fees and expenses is a material
6 term of the Settlement and was separately bargained for by the Parties.

7 12. As part of the Fee and Expenses Application, Class Counsel will
8 request that eighty percent (80%) of any attorneys’ fees and expenses awarded by
9 the Court shall be paid from the Settlement Fund to Class Counsel immediately
10 upon execution of the Judgment, notwithstanding the existence of any timely-filed
11 objections to the order awarding such attorneys’ fees and expenses or the
12 Judgment, or potential for appeal therefrom, or collateral attack on the Settlement
13 or any part thereof. Class Counsel will also request that twenty percent (20%) of
14 any attorneys’ fees and expenses awarded by the Court shall be paid from the
15 Settlement Fund to Class Counsel the day after the filing of Class Representative’s
16 Motion for Distribution Order Approving Administrative Determinations and
17 Directing Payment of Net Settlement Fund in Connection with EY Settlement.

18 13. Class Counsel shall determine and distribute the attorneys’ fees
19 among plaintiffs’ counsel in a manner in which they believe reflects the
20 contributions of such counsel to the prosecution and settlement of the Litigation
21 with EY and the benefits conferred on the Class.

22 14. In the event that the Judgment or the order making any attorneys’ fee
23 and expense award is reversed or modified on appeal by Final order, and in the
24 event that any attorneys’ fee and expense award has been paid to any extent, then
25 Class Counsel shall, within twenty-one (21) calendar days from entry of any such
26 Final order, refund to the Escrow Account the fees, expenses, costs, and interest
27 paid to any plaintiffs’ counsel from the Escrow Account, including accrued interest
28 on any such amount at the average rate earned on the Escrow Account from the

1 time of withdrawal until the date of refund. Further, Class Counsel agrees, and
2 each plaintiffs' counsel's law firm that receives any portion of such fee and
3 expense award shall be bound by virtue of the Court order awarding fees, on behalf
4 of themselves and each of their partners and/or shareholders, that each law firm
5 and each of its partners and/or shareholders are subject to the jurisdiction of the
6 Court for the purpose of enforcing the provisions of this ¶ 14.

7 15. Class Representative and Class Counsel may not cancel or terminate
8 the Stipulation or the Settlement in accordance with ¶ 39 or otherwise based on this
9 Court's or any appellate court's ruling with respect to the Fee and Expense
10 Application or other fee and expense award in the Litigation. With the sole
11 exception of making payment into the Escrow Account as provided for in ¶ 5, the
12 Released Defendant Parties shall have no responsibility for, and no liability
13 whatsoever with respect to, any payment to Class Counsel or any plaintiff's
14 counsel that may occur at any time.

15 16. The Released Defendant Parties shall have no responsibility for, and
16 no liability whatsoever with respect to, the allocation of any attorneys' fees or
17 expenses among any plaintiff's counsel, or any other Person who may assert some
18 claim thereto, or any fee or expense awards the Court may make in the Litigation.

19 17. The Released Defendant Parties shall have no responsibility for, and
20 no liability whatsoever with respect to, any attorneys' fees, costs, or expenses
21 incurred by or on behalf of the Class Members, whether or not paid from the
22 Escrow Account.

23 18. The procedure for and the allowance or disallowance by the Court of
24 any Fee and Expense Application are not part of the Settlement set forth in this
25 Stipulation, and are separate from the Court's consideration of the fairness,
26 reasonableness and adequacy of the Settlement set forth in the Stipulation, and any
27 order or proceeding relating to any fee and expense application, or any appeal from
28 any order relating thereto or reversal or modification thereof, shall not operate to

1 terminate or cancel the Stipulation, or affect or delay the finality of the Judgment
2 approving the Stipulation and the Settlement set forth herein, including, but not
3 limited to, the release, discharge, and relinquishment of the Released Claims
4 against the Released Defendant Parties, or any other orders entered pursuant to the
5 Stipulation.

6
7 **ADMINISTRATION EXPENSES**

8 19. Except as otherwise provided herein, the Settlement Fund shall remain
9 in escrow pending (i) final approval of the Settlement by the Court, (ii) the
10 expiration of all rights of appeal of the Judgment, and (iii) the final denial of any
11 and all appeals or objections or collateral attacks or challenges to the Settlement.

12 20. Prior to the Effective Date and without further order of the Court,
13 Class Counsel may expend up to \$500,000.00 from the Settlement Fund to pay the
14 Notice and Administration Expenses actually incurred. Such costs and expenses
15 shall include, without limitation, the actual costs of publication, printing and
16 mailing the notice packet, reimbursements to nominee owners for forwarding the
17 notice packet to their beneficial owners, the administrative expenses incurred and
18 fees charged by the Claims Administrator in connection with providing notice and
19 processing claims, and the fees, if any, related to the Escrow Account and the
20 investment of the Settlement Fund.

21
22 **DISTRIBUTION TO AUTHORIZED CLAIMANTS**

23 21. Class Counsel will apply to the Court for a Distribution Order, on
24 notice to Defendant's Counsel, approving the Claims Administrator's
25 administrative determinations concerning the acceptance and rejection of the
26 claims to the EY Settlement and approving any fees and expenses not previously
27 paid, including the fees and expenses of the Claims Administrator, and, if the
28

1 Effective Date has occurred, directing the payment of the Net Settlement Fund to
2 Authorized Claimants.

3 22. The Claims Administrator shall administer the Settlement under Class
4 Counsel's supervision and subject to the jurisdiction of the Court. Except as stated
5 in ¶¶ 20, 26, and 43 hereof, the Released Defendant Parties and Defendant's
6 Counsel shall have no responsibility for, interest in, or liability whatsoever with
7 respect the administration of the Settlement or the actions or decisions of the
8 Claims Administrator, and shall have no liability to the Class in connection with
9 such administration.

10 23. The Claims Administrator shall determine each Authorized
11 Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized
12 Claimant's Recognized Loss, as defined in the Plan of Allocation of Net
13 Settlement Fund (the "Plan of Allocation") included in the Notice, or in such other
14 plan of allocation as the Court may approve.

15 24. EY will take no position with respect to the Plan of Allocation. The
16 Plan of Allocation is a matter separate and apart from the proposed Settlement
17 between Class Representative and EY, and any decision by the Court concerning
18 the Plan of Allocation shall not affect the validity or finality of the proposed
19 Settlement. The Plan of Allocation is not a necessary term of this Stipulation and
20 it is not a condition of this Stipulation that any particular plan of allocation be
21 approved by the Court. Class Representative and Class Counsel may not cancel or
22 terminate the Stipulation or the Settlement in accordance with ¶ 39 or otherwise
23 based on the Court's or any appellate court's ruling with respect to the Plan of
24 Allocation or any plan of allocation in the Litigation. The Released Defendant
25 Parties and Defendant's Counsel shall have no responsibility or liability for
26 reviewing or challenging claims, the allocation of the Net Settlement Fund, or the
27 distribution of the Net Settlement Fund.

1 approved by the Court shall be barred from participating in distributions from the
2 Net Settlement Fund, but otherwise shall be bound by all of the terms of this
3 Stipulation and the Settlement, including the terms of the Judgment to be entered
4 in the Litigation and the releases provided for herein, and will be barred from
5 bringing any action against the Released Defendant Parties concerning the
6 Released Claims.

7 29. All proceedings with respect to the administration, processing and
8 determination of claims described by ¶¶ 21 through 33 of this Stipulation and the
9 determination of all controversies relating thereto, including disputed questions of
10 law and fact with respect to the validity of claims, shall be subject to the
11 jurisdiction of the Court, but shall not in any event delay or affect the finality of the
12 Judgment.

13 30. The Net Settlement Fund shall be distributed to Authorized Claimants
14 by the Claims Administrator only after the Effective Date and after: (i) all timely
15 claims have been processed, and all claimants whose timely claims have been
16 rejected or disallowed, in whole or in part, have been notified and provided the
17 opportunity to be heard concerning such rejection or disallowance; (ii) all
18 objections with respect to all rejected or disallowed claims have been resolved by
19 the Court, and all appeals therefrom have been resolved or the time therefore has
20 expired, unless otherwise ordered by the Court; (iii) all matters with respect to
21 attorneys' fees, costs, and disbursements have been resolved by the Court, all
22 appeals therefrom have been resolved or the time therefore has expired, unless
23 otherwise ordered by the Court; and (iv) all Notice and Administrative Expenses
24 and Taxes have been paid.

25 31. If the funds remaining in the Net Settlement Fund following *pro rata*
26 distribution(s) to all Authorized Claimants are of an amount that is not cost
27 effective or efficient to redistribute to the Class, then such remaining funds, after
28 payment of any further Notice and Administration Expenses and Taxes, shall,

1 subject to approval of the Court, be contributed to an appropriate 501(c)(3)
2 organization(s) at the discretion of Class Counsel.

3 32. No Person shall have any claim of any kind against the Released
4 Defendant Parties or their counsel with respect to the matters set forth in this
5 Section or any of its subsections.

6 33. No Person shall have any claim against the Class Representative or its
7 counsel (including Class Counsel), or any claims administrator, or agent
8 designated by Class Counsel, based on the distributions made substantially in
9 accordance with this Stipulation and the Settlement contained herein, the Plan of
10 Allocation, or further order(s) of the Court.

11
12 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

13 34. Concurrently with their application for preliminary Court approval of
14 the Settlement contemplated by this Stipulation and promptly after execution of
15 this Stipulation, Class Counsel and Defendant's Counsel shall jointly apply to the
16 Court for entry of the Preliminary Approval Order, which shall be substantially in
17 the form annexed hereto as Exhibit A. The Preliminary Approval Order will, *inter*
18 *alia*, set the date for the Settlement Hearing and prescribe the method for giving
19 notice of the Settlement to the Class.

20 35. As ordered by the Court, Class Counsel shall cause the Claims
21 Administrator to mail the Notice and, where applicable, Proof of Claim to
22 members of the Class at the address of each such Person as set forth in the records
23 of Broadcom or its transfer agent(s), or who otherwise may be identified through
24 reasonable effort. Class Counsel shall cause the Claims Administrator to publish
25 the Summary Notice of the proposed Settlement in *The Wall Street Journal* and
26 transmit it over *Business Wire*, or other wire service, within fourteen (14) calendar
27 days of the mailing of the Notice, or according to whatever other form or manner
28 might be ordered by the Court.

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TERMS OF THE JUDGMENT

36. If the Settlement contemplated by this Stipulation is approved by the Court, Class Counsel and Defendant’s Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

37. Pursuant to § 21D(f)(7) of the Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 78u-4(f)(7), EY, by virtue of the Judgment, shall be discharged from all claims for contribution brought by other Persons. The Court shall include in the Judgment a bar order constituting the final discharge of all obligations to Class Representative and the Class of the Released Defendant Parties arising out of the Litigation. The Judgment shall bar all claims and future claims for contribution arising out of the Litigation by any Person against EY and by EY against any Person, other than a Person whose liability has been extinguished by the Settlement.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

38. The Effective Date of this Settlement shall be the date when all of the following shall have occurred:

(a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;

(b) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(c) a Judgment, which shall be in all material respects substantially in the form set forth in Exhibit B annexed hereto, has been entered by the Court and has become Final or, in the event that the Court enters an Alternative Judgment and none of the Parties elects to terminate this Settlement, the date that such Alternative Judgment becomes Final.

1 39. EY and Class Representative shall have the right to terminate the
2 Settlement and this Stipulation by providing written notice of their election to do
3 so (“Termination Notice”), through counsel, to each other within thirty (30)
4 calendar days of: (a) the Court’s final refusal to enter the Preliminary Approval
5 Order in any material respect; (b) the Court’s final refusal to approve this
6 Stipulation or any material part of it; (c) the Court’s final refusal to enter the
7 Judgment in any material respect; (d) the date upon which the Judgment is
8 modified or reversed in any material respect by the United States Court of Appeals
9 or the Supreme Court of the United States; or (e) in the event that the Court enters
10 an Alternative Judgment and none of the Parties hereto elects to terminate this
11 Settlement, the date upon which such Alternative Judgment is modified or reversed
12 in any material respect by the Court of Appeals or the Supreme Court of the United
13 States.

14 40. Simultaneously herewith, Defendant’s Counsel and Class Counsel are
15 executing a Supplemental Agreement Regarding Settlement (“Supplemental
16 Agreement”). The Supplemental Agreement sets forth certain conditions under
17 which EY shall have the option (which option shall be exercised unilaterally by
18 EY) to terminate the Settlement and render this Stipulation null and void in the
19 event that requests for exclusion from the Class exceed certain agreed-upon criteria
20 (the “Opt-Out Threshold”). The Parties agree to main the confidentiality of the
21 Opt-Out Threshold in the Supplemental Agreement, which shall not be filed with
22 the Court unless a dispute arises as to its terms, or as otherwise ordered by the
23 Court. If submission of the Supplemental Agreement is required for resolution of a
24 dispute or is otherwise ordered by the Court, the Parties will undertake to have the
25 Opt-Out Threshold submitted to the Court *in camera*. Except for the Opt-Out
26 Threshold, all material terms of the Supplemental Agreement are repeated herein:

27 (a) It is expressly understood and agreed by the Parties that the
28 only Persons who may submit requests for exclusion are those Persons who are

1 members of the Class certified by the Court: all persons and entities that purchased
2 or otherwise acquired the Class A common stock of Broadcom during the period
3 from February 14, 2006 through May 25, 2006, inclusive, and were allegedly
4 damaged thereby. Excluded from the Class are: the current or former defendants
5 in the Litigation; the partners, directors, and principals of EY; the members of the
6 immediate families of the former individual defendants in the Litigation; the legal
7 representatives, heirs, successors or assigns of any excluded Person; any entity in
8 which any current or former defendant has or had a controlling interest; shares of
9 Broadcom Class A common stock purchased by any Broadcom employee who
10 acquired the shares through the exercise of incentive stock options from February
11 14, 2006 through May 25, 2006, inclusive;

12 (b) To be valid for purposes of the Opt-Out Threshold and the
13 Supplemental Agreement, a request for exclusion must contain the information
14 requested in the Notice;

15 (c) The Parties shall request that the Preliminary Approval Order
16 provide that requests for exclusion must be received at least fourteen (14) calendar
17 days prior to the Settlement Hearing date. Class Counsel shall provide
18 Defendant's Counsel with copies of any requests for exclusion, and any written
19 revocations of requests for exclusion, as expeditiously as possible, and, in any
20 event, Defendant's Counsel shall receive within three (3) calendar days of the
21 expiration of the request for exclusion deadline but no later than ten (10) calendar
22 days before the Settlement Hearing copies of requests for exclusion of any Class
23 Members who will be identified on Exhibit A to the Judgment as validly and
24 timely requesting exclusion;

25 (d) EY unilaterally shall be entitled to exercise the option to
26 terminate set forth in this paragraph and the Supplemental Agreement only if
27 Defendant's Counsel provides Class Counsel with written notice of EY's election
28 to terminate on or before five (5) calendar days prior to the Settlement Hearing;

1 (e) In the event that EY provides a written notice of termination of
2 the Settlement pursuant to subparagraph (d) above and the Supplemental
3 Agreement, EY may withdraw the termination by providing written notice of such
4 withdrawal of the termination to Class Counsel no later than 5:00 P.M. Eastern
5 Time on the first business day prior to the Settlement Hearing, or by such later date
6 as shall be agreed upon in writing as between Class Counsel and Defendants’
7 Counsel;

8 (f) If EY elects to terminate the Settlement pursuant to this
9 paragraph and the Supplemental Agreement, Class Counsel may upon receipt of
10 such notice of termination, review the validity of any request for exclusion and
11 may attempt to cause retraction of any request for exclusion. If Class Counsel
12 succeeds in causing the filing of retractions of a sufficient number of requests for
13 exclusion such that the number of shares represented by the remaining timely and
14 valid requests for exclusion does not constitute grounds for termination as
15 specified in this paragraph and the Supplemental Agreement, then any termination
16 of the Settlement shall automatically be deemed to be a nullity. To retract a prior
17 request for exclusion, a member of the Class must provide to the Parties’ counsel,
18 at least two (2) calendar days prior to the Settlement Hearing, or any adjournment
19 thereof, a written notice stating his, her or its desire to retract his, her or its request
20 for exclusion from the Class; provided, however, that the provision of such written
21 notice may be effected by Class Counsel;

22 (g) If EY elects to terminate the Settlement in accordance with this
23 paragraph and the Supplemental Agreement and such termination is not nullified in
24 accordance with subparagraphs (e) or (f) above and the Supplemental Agreement,
25 the Settlement shall be terminated and the provisions of ¶¶ 43 through 45 of the
26 Stipulation shall apply; and

27 (h) In the event of a termination of this Settlement pursuant to the
28 Supplemental Agreement, this Stipulation shall become null and void and of no

1 further force and effect, with the exception of the provisions of ¶¶ 45 and 47,
2 which shall continue to apply.

3 41. In addition to all of the rights and remedies that the Class
4 Representative and Class Counsel have under the terms of this Stipulation, they
5 shall also have the right to terminate the Settlement in the event that EY does not
6 pay, or cause to be paid, the Settlement Amount as provided in ¶ 5 above, by
7 providing written notice of their election to terminate to EY and, thereafter, EY
8 fails to pay the Settlement Amount within fourteen (14) calendar days of the date
9 EY received the written notice.

10 42. If an option to withdraw from and terminate this Stipulation and
11 Settlement arises under any of ¶¶ 39 through 41 above, (i) neither EY nor Class
12 Representative will be required for any reason or under any circumstance to
13 exercise that option; and (ii) any exercise of that option shall be made in good
14 faith, but in the sole and unfettered discretion of EY or Class Representative, as
15 applicable.

16 43. Except as otherwise provided herein, in the event the Settlement is
17 terminated or fails to become effective for any reason, then: the Settlement shall be
18 without prejudice, and none of its terms shall be effective or enforceable except as
19 specifically provided herein; the Parties to this Stipulation shall be deemed to have
20 reverted to their respective litigation positions in the Litigation immediately prior
21 to the execution of the Agreement in Principle on September 13, 2012; and, except
22 as otherwise expressly provided, the Parties in the Litigation shall proceed in all
23 respects as if this Stipulation and any related orders had not been entered, except
24 that any deadlines that have passed since September 13 will be adjourned
25 consistent with the procedure set forth in ¶ 45. In such event, the fact and terms of
26 the Agreement in Principle or this Stipulation, or any aspect of the negotiations
27 leading to this Stipulation, shall not be admissible in any trial of this Litigation.
28

1 negotiations, proceedings, or agreements, shall not be offered or received against
2 EY for any purpose, and in particular:

3 (a) do not constitute, and shall not be offered or received against
4 EY as evidence of, or construed as, or deemed to be evidence of any presumption,
5 concession or admission by EY with respect to the truth of any fact alleged by
6 Class Representative and the Class or the validity of any claim that has been or
7 could have been asserted in the Litigation or in any litigation, including but not
8 limited to the Released Claims, or of any liability, damages, negligence, fault or
9 wrongdoing of EY;

10 (b) do not constitute, and shall not be offered or received against
11 EY as evidence of a presumption, concession or admission of any fault,
12 misrepresentation or omission with respect to any statement or written document
13 approved or made by EY, or against Class Representative or any other members of
14 the Class as evidence of any infirmity in the claims of Class Representative or the
15 other members of the Class;

16 (c) do not constitute, and shall not be offered or received against
17 EY or against Class Representative or any other members of the Class, as evidence
18 of a presumption, concession or admission with respect to any liability, damages,
19 negligence, fault, infirmity or wrongdoing, or in any way referred to for any other
20 reason as against any of the Parties to this Stipulation, in any other civil, criminal
21 or administrative action or proceeding, other than such proceedings as may be
22 necessary to effectuate the provisions of this Stipulation;

23 (d) do not constitute, and shall not be construed against EY, Class
24 Representative or any other members of the Class, as an admission or concession
25 that the consideration to be given hereunder represents the amount which could be
26 or would have been recovered after trial; and

27 (e) do not constitute, and shall not be construed as or received in
28 evidence as, an admission, concession or presumption against Class Representative

1 or any other members of the Class or any of them that any of their claims are
2 without merit or infirm or that damages recoverable under the Amended
3 Complaint, would not have exceeded the Settlement Amount.

4 47. EY may file this Stipulation and/or the Judgment in any action that
5 may be brought against it in order to support a defense or counterclaim based on
6 principles of res judicata, collateral estoppel, release, good-faith settlement,
7 judgment bar or reduction, or any theory of claim preclusion or issue preclusion or
8 similar defense or counterclaim, or to effectuate the liability protection granted
9 them under any applicable insurance policies. Any Party may file this Stipulation
10 and/or the Judgment in any action that may be brought to enforce the terms of this
11 Stipulation and/or the Judgment. All Parties submit to the jurisdiction of the Court
12 for purposes of implementing and enforcing the Settlement.

13
14 **MISCELLANEOUS PROVISIONS**

15 48. All of the exhibits to the Stipulation, except any Plan of Allocation, to
16 the extent incorporated in those exhibits, are material and integral parts hereof and
17 are fully incorporated herein by this reference.

18 49. The Parties to this Stipulation intend the Settlement of the Litigation
19 to be the full, final and complete resolution of all disputes asserted or which could
20 have been asserted by the Parties with respect to the Released Claims and Released
21 Defendant's Claims. Accordingly, Class Representative and EY agree not to assert
22 in any forum that the Litigation was brought, prosecuted or defended in bad faith
23 or without a reasonable basis. The Parties agree that each has complied fully with
24 Rule 11 of the Federal Rules of Civil Procedure in connection with the
25 maintenance, prosecution, defense and settlement of the Litigation. EY and Class
26 Representative agree that the amount paid and the other terms of the Settlement
27 were negotiated at arm's-length in good faith by EY and Class Representative, and
28 their respective counsel, and reflect a settlement that was reached voluntarily based

1 upon adequate information and after consultation with experienced legal counsel,
2 and under the supervision of the mediators.

3 50. This Stipulation may not be modified or amended, nor may any of its
4 provisions be waived, except by a writing signed by all Parties hereto or their
5 successors.

6 51. The headings herein are used for the purpose of convenience only and
7 are not meant to have legal effect.

8 52. The administration and consummation of the Settlement as embodied
9 in this Stipulation shall be under the authority of the Court, and the Court shall
10 retain jurisdiction for the purpose of entering orders providing for awards of
11 attorneys' fees and any expenses and implementing and enforcing the terms of this
12 Stipulation.

13 53. Unless ordered by a Court, no Party or counsel, consistent with Fed.
14 R. Evid. 408 and the mediation privilege, shall disseminate, refer to, or otherwise
15 distribute to any third party any information regarding the negotiation of the
16 Settlement between the Parties, or any information or documents they obtained
17 from one another in connection with the Settlement, except as necessary in
18 connection with this Stipulation or Court approval of the Settlement.

19 54. The waiver by one party of any breach of this Stipulation by any other
20 party shall not be deemed a waiver of any other prior or subsequent breach of this
21 Stipulation.

22 55. This Stipulation and its exhibits constitute the entire agreement among
23 the Parties hereto concerning the Settlement of the Litigation as against EY, and no
24 representations, warranties, or inducements have been made by any party hereto
25 concerning this Stipulation and its exhibits other than those contained and
26 memorialized in such documents.

1 56. The Order Re: Stipulation For Protective Order (Docket No. 307)
2 entered during the course of the Litigation relating to the confidentiality of
3 information shall survive the Stipulation.

4 57. Upon entry of the Preliminary Approval Order, the Parties agree to a
5 stand-down on all discovery, motions, pretrial disclosure obligations, and other
6 pending deadlines or matters in the Litigation.

7 58. Nothing in the Stipulation, or the negotiations relating thereto, is
8 intended to or shall be deemed to constitute a waiver of any applicable privilege or
9 immunity, including, without limitation, attorney-client privilege, joint defense
10 privilege, or work product protection.

11 59. This Stipulation may be executed in one or more counterparts. All
12 executed counterparts and each of them shall be deemed to be one and the same
13 instrument provided that counsel for the Parties to this Stipulation shall exchange
14 among themselves original signed counterparts. Signatures sent by facsimile or
15 pdf shall be deemed originals for the purposes of satisfying California or any other
16 rules of evidence.

17 60. This Stipulation shall be binding when signed, but the Settlement shall
18 be effective only on the condition that the Effective Date occurs.

19 61. This Stipulation shall be binding upon, and inure to the benefit of, the
20 successors and assigns of the Parties hereto.

21 62. The construction, interpretation, operation, effect and validity of this
22 Stipulation, and all documents necessary to effectuate it, shall be governed by the
23 internal laws of the State of California without regard to conflicts of laws, except
24 to the extent that federal law requires that federal law govern.

25 63. This Stipulation shall not be construed more strictly against one Party
26 than another merely by virtue of the fact that it, or any part of it, may have been
27 prepared by counsel for one of the Parties, it being recognized that it is the result of
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1 arm's-length negotiations among the Parties, and all Parties have contributed
2 substantially and materially to the preparation of this Stipulation.

3 64. Class Counsel, on behalf of the Class Members, warrants and
4 represents that it is expressly authorized by Class Representative to take all
5 appropriate action required or permitted to be taken by the Class Members
6 pursuant to the Stipulation to effectuate its terms and also is expressly authorized
7 to enter into any modifications or amendments to the Stipulation on behalf of the
8 Class Members that it deems appropriate.

9 65. All counsel and any other person executing this Stipulation and any of
10 the exhibits hereto, or any related settlement documents, warrant and represent that
11 they have the full authority to do so, and that they have the authority to take
12 appropriate action required or permitted to be taken pursuant to the Stipulation to
13 effectuate its terms.

14 66. Class Counsel and Defendant's Counsel agree to cooperate fully with
15 one another in seeking Court approval of the Preliminary Approval Order, the
16 Stipulation and the Settlement, and to promptly agree upon and execute all such
17 other documentation as reasonably may be required to obtain final approval by the
18 Court of the Settlement.

19 67. Except as otherwise provided herein, each party shall bear its own
20 costs.

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IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of September 27, 2012.

LABATON SUCHAROW LLP

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Stephen W. Tountas
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Counsel for Class Representative New Mexico State Investment Council

MORRISON & FOERSTER LLP

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Counsel for Defendant Ernst & Young LLP

EXHIBIT A

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6 *Liaison Counsel for Class Representative New Mexico
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7 THOMAS A. DUBBS (admitted *pro hac vice*)
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11 140 Broadway
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12 Telephone: (212) 907-0700
Facsimile: (212) 818-0477

13 *Class Counsel for Class Representative New Mexico
State Investment Council and the Class*

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 **[PROPOSED] PRELIMINARY
20 APPROVAL ORDER PROVIDING
21 FOR NOTICE AND HEARING IN
22 CONNECTION WITH PROPOSED
23 CLASS ACTION SETTLEMENT
24 WITH ERNST & YOUNG LLP**

Honorable Manuel L. Real

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 _____ day of
9 _____, 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 _____, 2012, at ____:_____ .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
21 312 N. Spring Street,
22 Los Angeles, CA 90012

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

26 LABATON SUCHAROW LLP
27 Thomas A. Dubbs
28 140 Broadway
New York, New York 10005

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

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

On behalf of the Defendant

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.

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

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Dated: _____, 2012

Honorable Manuel L. Real
UNITED STATES DISTRICT JUDGE

EXHIBIT A-1

1 JOSEPH J. TABACCO, JR. #75484
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2 NICOLE LAVALLEE #165755
Email: nlavallee@bermandevalerio.com
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4 One California Street, Suite 900
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6 *Liaison Counsel for Class Representative New Mexico
State Investment Council and the Class*

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Email: tdubbs@labaton.com
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11 140 Broadway
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12 Telephone: (212) 907-0700
Facsimile: (212) 818-0477

13 *Class Counsel for Class Representative New Mexico
State Investment Council and the Class*

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

18 In re BROADCOM CORPORATION)
19 CLASS ACTION LITIGATION)

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

20) **NOTICE OF PENDENCY OF**
21) **CLASS ACTION AND PROPOSED**
22) **SETTLEMENT WITH ERNST &**
23) **YOUNG LLP AND MOTION FOR**
24) **ATTORNEYS' FEES AND**
25) **EXPENSES**

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28 NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
CV-06-5036-R (CWx)

Questions? Call Toll-Free 1-800-_____

1 TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR OTHERWISE
2 ACQUIRED THE CLASS A COMMON STOCK OF BROADCOM CORP.
3 DURING THE PERIOD FROM FEBRUARY 14, 2006 THROUGH MAY
4 25, 2006, INCLUSIVE, (THE "CLASS PERIOD"), AND WERE
5 ALLEGEDLY DAMAGED THEREBY (THE "CLASS").

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

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

- 9 • If approved by the Court,¹ 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").
- 10 • 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").
- 11 • 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.
- 12 • The Court will review the Settlement at the Settlement Hearing to be held on _____, 2012 at ____:_____.m.
- 13 • **Your legal rights are affected whether you act or do not act. Read this notice carefully.**

14 **YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT**

15 SUBMIT A CLAIM FORM BY _____, 2012	16 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, <i>see</i> Question [].
17 EXCLUDE YOURSELF BY _____, 2012	18 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.

19 _____
20 ¹ 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 [_____] , 2012 (the "Stipulation").

<p>1 OBJECT BY 2 _____, 2012</p>	<p>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.</p>
<p>3 GO TO A HEARING 4 ON 5 _____, 2012</p>	<p>Ask to speak in Court about the Settlement at the Settlement Hearing.</p>
<p>6 DO NOTHING</p>	<p>Get no payment, if you did not submit a claim in the Broadcom Settlement. Give up rights.</p>

7 **SUMMARY OF THIS NOTICE**

8 **Statement of Plaintiff Recovery**

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

21 **Statement of Potential Outcome if the Claims Continued to Be Litigated**

22 The Parties disagree about whether EY is liable for the claims asserted
23 against it and whether it caused any damages. The issues on which the Parties
24 disagree include, for example: (1) whether the Defendant made any false or
25 material misstatements or omissions; (2) whether the Defendant acted with the
26

27 _____
28 ² 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.

1 required state of mind; (3) the amount by which the prices of Broadcom common
2 stock were artificially inflated (if at all) during the Class Period as a result of the
3 alleged fraud; (4) the extent that Broadcom's compensation expenses and stock
4 option granting practices influenced (if at all) the trading price of Broadcom's
5 common stock during the Class Period; (5) whether any purchasers of Broadcom
6 common stock suffered damages as a result of EY's alleged misstatement and
7 omissions; and (6) the amount of such damages, assuming they exist, including the
8 appropriate economic model for measuring such damages and the extent to which
9 external factors, such as general market and industry conditions, influenced the
10 trading price of Broadcom common stock during the Class Period.

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

15 **Statement of Attorneys' Fees and Costs Sought**

16 The Class Representative and Class are represented by the law firm of
17 Labaton Sucharow LLP ("Class Counsel"). Class Counsel has not received any
18 payment for its services in litigating the claims against EY in the Litigation, nor
19 has it been reimbursed for its litigation expenses since 2010. Class Counsel
20 intends to make a motion asking the Court to award it attorneys' fees of no more
21 than ____% of the Settlement Fund (including any accrued interest), and
22 reimbursement from the Settlement Fund of expenses incurred during the
23 Litigation, in an amount not to exceed \$_____, plus interest. Pursuant
24 to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), the Class
25 Representative may also ask the Court to reimburse it for costs and expenses it
26 incurred in representing the Class in an amount of no more than \$_____. If the
27 Court approves the fee and expense applications in full, the average amount of fees
28

1 and expenses per damaged share of common stock will be approximately \$ _____.
2 This amount will vary depending on the number of eligible claims submitted.

3 **Further Information**

4 Further information regarding the Settlement and this Notice may be
5 obtained by contacting the Claims Administrator: *Broadcom Corp. Class Action*
6 *Litigation, EY Settlement*, Claims Administrator, c/o The Garden City Group, Inc.,
7 [address], 800-[_], www.[_].com; or Class Counsel: Labaton Sucharow LLP,
8 140 Broadway, New York, NY 10005, (888) 212-5685, www.labaton.com,
9 settlementquestions@labaton.com. **Please Do Not Call the Court or Ernst &**

10 **Young With Questions About the Settlement.**

11 **Reasons for the Settlement**

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

19 **[END OF COVER PAGE]**

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1 **BASIC INFORMATION**

2 1. Why did I get this notice package?

3 You or someone in your family may have purchased or acquired Broadcom
4 Class A common stock during the period from February 14, 2006 through May 25,
5 2006, inclusive, and may be a Class Member in this Litigation. This package
6 explains the lawsuit, the Settlement, Class Members’ legal rights, what benefits are
7 available, who is eligible for them and how to get them.

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

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

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

23 Broadcom is a corporation that provides semiconductors for wired and
24 wireless communications to and throughout the home, office, and mobile
25 environment. It is incorporated in California and its principal place of business
26 and chief executive office is in Irvine, California. Like other public companies,
27 Broadcom awarded stock options to its employees, executives and directors. EY
28

1 was Broadcom's independent auditor from the Company's initial public offering in
2 April 1998 through the end of the Class Period and was responsible for, among
3 other things, conducting audits of the Company's year-end financial statements.

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

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

22 The Parties have been litigating the case since the Class Representative was
23 appointed lead plaintiff in October 2006. On April 21, 2008, the Class
24 Representative filed a Consolidated Class Action Complaint. Each of the
25 defendants moved to dismiss this complaint on June 20, 2008. On October 6, 2008
26 the Court granted the motions to dismiss, without prejudice, finding that the
27 complaint failed to adequately allege loss causation and gave the Class
28 Representative leave to amend the complaint. The Class Representative

1 subsequently filed the Amended Complaint on October 27, 2008, which set forth
2 additional facts concerning loss causation and the defendants' alleged scienter.

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

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

26 On November 1, 2010, a panel of Ninth Circuit judges (sitting by
27 appointment or designation) heard oral argument from the Parties regarding the
28 Class Representative's appeal. On April 14, 2011, the Ninth Circuit panel issued

1 an Opinion reversing the District Court's ruling granting EY's motion to dismiss,
2 and remanding the case for further proceedings.

3 On June 6, 2011, EY moved to dismiss the Amended Complaint, arguing
4 that the Class Representative failed to establish a causal connection between the
5 2005 Audit Opinion and the alleged declines in Broadcom's Class A common
6 stock. On August 19, 2011, the Court entered an Order denying EY's motion to
7 dismiss in its entirety, thus permitting the case to proceed to discovery.

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

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

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

27
28

1 3. Why is this a class action?

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

11 4. Why is there a settlement?

12 The Court did not finally decide in favor of the Class Representative or EY.
13 The Settlement will end all the claims against EY in the Litigation and avoid the
14 uncertainties and costs of further litigation and any future trial. Affected investors
15 will get compensation immediately, rather than after the time it would take to
16 conduct additional litigation, brief summary judgment, have a trial and exhaust all
17 appeals. The Settlement was reached after the Class Representative conducted a
18 thorough investigation, briefed two challenging motions to dismiss the claims,
19 successfully appealed the dismissal of all claims against EY to the United States
20 Court of Appeals for the Ninth Circuit, reviewed more than four million pages of
21 documents produced during the course of the Litigation, conducted fifteen
22 depositions, consulted with experts in the field of loss causation, damages,
23 materiality and GAAS, and engaged in arm’s-length negotiations about a
24 settlement. Preliminary settlement discussions commenced in late Spring 2008,
25 and formally resumed in May 2012. Ultimately, in September 2012, through
26 mediated arm’s-length negotiations before a highly experienced mediator and
27 Special Master Carroll, the Class Representative and EY reached an agreement in
28

1 principle that led to this Settlement. EY and the Class Representative worked
2 closely with the co-mediators in connection with the May 2012 and September
3 2012 mediation sessions. These negotiations ultimately resulted in an agreement
4 to settle the claims asserted in the Litigation. The Class Representative and Class
5 Counsel believe the Settlement is in the best interest of Class Members.

6 **WHO IS IN THE SETTLEMENT**

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

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

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

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

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

18 Additionally, there are some people who cannot be in the Class. The
19 excluded persons are: (a) the current or former defendants in the Litigation; (b) the
20 partners, directors, and principals of EY; (c) the members of the immediate
21 families of the former individual defendants in the Litigation; (d) the legal
22 representatives, heirs, successors or assigns of any excluded Person; (e) any entity
23 in which any current or former defendant has or had a controlling interest; (f)
24 shares of Broadcom Class A common stock purchased by any Broadcom employee
25 who acquired the shares through the exercise of incentive stock options from
26 February 14, 2006 through May 25, 2006, inclusive; and (g) any Person who
27 timely and validly seeks exclusion from the Class.
28

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

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

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

9 If you are still not sure whether you are included, you can ask for free help
10 from the Claims Administrator: *Broadcom Corp. Class Action Litigation, EY*
11 *Settlement*, Claims Administrator, c/o The Garden City Group, Inc., [address], 800-
12 [____], www.[____].com. Or, if you did not previously submit a claim in connection
13 with the Broadcom Settlement, you can fill out and return the Proof of Claim and
14 Release form (“Proof of Claim”) described on page [____], in Question 10, to see
15 if you qualify.

16 **THE SETTLEMENT BENEFITS—WHAT YOU MAY RECEIVE**

17 **8. What does the Settlement provide?**

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

23 **9. How much will my payment be?**

24 The Plan of Allocation discussed on page [____] explains how claimants’
25 “Recognized Losses” will be calculated. Your share of the Net Settlement Fund
26 will depend on several things, including: (a) the amount of Recognized Losses of
27 other Class Members; (b) how many shares of Broadcom stock you bought; (c)
28

1 how much you paid for the shares; (d) when you bought them; and (e) whether or
2 when you sold them (and, if so, for how much you sold them).

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

10 Once all the claims are processed and calculated, Class Counsel, without
11 further notice to the Class, will apply to the Court for an order distributing the Net
12 Settlement Fund to the members of the Class. Class Counsel will also ask the
13 Court to approve payment of the Claims Administrator's fees and expenses
14 incurred in connection with administering the Settlement that have not already
15 been reimbursed.

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

17 10. How can I get a payment?

18 To be eligible for a payment from the EY Settlement, you must **EITHER:**
19 (1) have *already* submitted a claim in connection with the prior Broadcom
20 Settlement; **OR**

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

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

27 If you submitted a claim in the Broadcom Settlement, that claim and the
28 transactional information you already provided will be used to determine your

1 eligibility for a payment from the EY Settlement. You are not being mailed a
2 Proof of Claim with this Notice. If you previously received a letter from the
3 Claims Administrator about the rejection or ineligibility of your Broadcom claim,
4 you must contact the Claims Administrator to rectify your claim to the EY
5 Settlement. You can check the status of your Broadcom claim or the transactions
6 you previously submitted by logging into the Settlement website:

7 www_____. Information about how to login is being mailed
8 with this Notice. If you do not have access to the website, you can call the Claims
9 Administrator at (800) _____ - _____.

10 If the Claims Administrator did not receive a claim from you in connection
11 with the Broadcom Settlement, a Proof of Claim is being circulated with this
12 Notice. You may also get a Proof of Claim on the Internet at the websites for the
13 Claims Administrator: www.[__].com, or Class Counsel: www.labaton.com.

14 Please read the instructions carefully, fill out the Proof of Claim, include all the
15 documents the form asks for, sign it, and mail it to the Claims Administrator by
16 First-Class Mail, **postmarked on or before** _____, 2012. *The Claims
17 Administrator needs all of the information requested in the Proof of Claim in order
18 to determine what you may be entitled to.*

19 11. When would I get my payment?

20 The Court will hold a hearing on _____, 2012 at __:___.m., to
21 decide whether to approve the Settlement. All claims need to be submitted
22 **postmarked on or before** _____, 2012. If the Court approves the
23 Settlement, there may still be appeals which would delay payment, perhaps for
24 more than a year. It also takes time for all the claims to be processed. Please be
25 patient.

26
27
28

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

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

7 “Released Claims” collectively means any and all claims, debts, demands,
8 rights, causes of action or liabilities (including, but not limited to, any claims for
9 negligence, gross negligence, recklessness, intentional conduct, damages, interest
10 and any other costs, expenses or liability) of every nature and description
11 whatsoever, known or unknown, whether based on federal, state, local, statutory or
12 common law or any other law, rule or regulation, whether fixed or contingent,
13 suspected or unsuspected, whether or not concealed or hidden, accrued or
14 unaccrued, liquidated or not liquidated, at law or in equity, matured or not matured,
15 Class-wide or individual in nature, including both known claims and Unknown
16 Claims (as defined below), (a) that have been asserted in this Litigation by the
17 Class Members or any of them against any of the Released Defendant Parties, or
18 (b) that could have been asserted in the Litigation or any other forum by the Class
19 Members or any of them against any of the Released Defendant Parties, that arise
20 out of, are based upon, or relate in any way to the allegations, transactions, facts,
21 matters or occurrences, representations or omissions involved, set forth, or referred
22 to in the Litigation or that arise out of, are based upon, or relate in any way to
23 Broadcom’s grants of stock options between April 1998 and May 2003 and EY’s
24

25 _____
26 ³ “Released Defendant Parties” in this Settlement means EY; each of its current
27 or former officers, directors, employees, partners, principals, agents, attorneys,
28 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.

1 2005 audit opinion relating thereto and the purchase or sale of Broadcom Class A
2 common stock during the Class Period. Released Claims do not include: (i) the
3 plaintiffs' claims asserted in the Derivative Action and/or the State Derivative
4 Action; (ii) claims to enforce the Settlement; (iii) claims Broadcom has brought
5 against EY and claims that EY has brought against Broadcom, if any; or (iv) any
6 governmental or regulatory agency's claims asserted in any criminal or civil action
7 against any of the current or former defendants.

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

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

26 Class Representative, the Class Members or EY may hereafter discover facts in
27 addition to or different from those which he, she, or it now knows or believes to be
28 true with respect to the subject matter of the Released Claims, but Class

1 Representative and EY shall expressly, fully, finally and forever settle and release,
2 and each Class Member shall be deemed to have settled and released, and upon the
3 Effective Date and by operation of the Judgment shall have settled and released,
4 fully, finally, and forever, any and all Released Claims, without regard to the
5 subsequent discovery or existence of such different or additional facts. Class
6 Representative and EY acknowledge, and other Class Members by operation of
7 law shall be deemed to have acknowledged, that the inclusion of “Unknown
8 Claims” in the definition of Released Claims and Released Defendant’s Claims
9 was separately bargained for and was a key element of the Settlement.

10 The “Effective Date” will occur after the Judgment by the Court approving
11 the Settlement becomes final and is not subject to appeal. If you remain a member
12 of the Class, all of the Court’s orders will apply to you and legally bind you.

13 **EXCLUDING YOURSELF FROM THE SETTLEMENT**

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

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

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

27 Your letter must state the date(s), price(s) and number of shares of all your
28 purchases, acquisitions and sales of Broadcom Class A common stock during the

1 Class Period. This information is needed to determine whether you are a Class
2 Member. In addition, you must include your name, address, telephone number,
3 and your signature. You must mail your exclusion request by First-Class Mail, *so*
4 *that it is received on or before* _____, 2012, to:

5 Broadcom Corp. Class Action Litigation, EY Settlement
6 Claims Administrator
7 Exclusions
8 c/o The Garden City Group, Inc.
9 [address]
10 []

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

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

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

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

23 No. If you exclude yourself, do not send in a Proof of Claim to ask for any
24 money. Any previously submitted claim will also not be processed in the EY
25 Settlement. However, you may exercise any right you may have to sue, continue
26 to sue or be part of a different lawsuit against EY and the other Released
27 Defendant Parties.
28

1 **THE LAWYERS REPRESENTING YOU**

2 16. Do I have a lawyer in this case?

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

9 17. How will the lawyers be paid?

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

24 The fee requested by Class Counsel would compensate it for its efforts in
25 achieving the Settlement for the benefit of the Class and for the risk in undertaking
26 the Litigation on a contingency basis. A request of _____% may be determined by
27 the Court to be reasonable given: (a) the result achieved; (b) the novelty and
28

1 difficulty of the claims; (c) the risk that the Class Representative would not prevail;
2 (d) the quality of counsel's representation; and (e) the fees awarded in similar
3 cases. The Court will determine the amount of the award.

4 **OBJECTING TO THE SETTLEMENT**

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

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

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

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

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

23 **COURT:**

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

1
2 **CLASS COUNSEL:**

3 LABATON SUCHAROW LLP
4 Thomas A. Dubbs
5 140 Broadway
6 New York, NY 10005

DEFENDANT'S COUNSEL:
MORRISON & FOERSTER LLP
Robert B. Hubbell
555 West Fifth Street
Los Angeles, CA 90013

7 19. What is the difference between objecting and requesting exclusion?

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

13 **THE COURT'S SETTLEMENT HEARING**

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

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

26 You should also be aware that the Court may change the date and time of the
27 Settlement Hearing without another notice being sent to Class Members. If you
28

1 want to come to the hearing, you should check with Class Counsel before coming
2 to be sure that the date and/or time has not changed.

3 21. Do I have to come to the hearing?

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

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

8
9 If you object to the Settlement, you may ask the Court for permission to
10 speak at the Settlement Hearing. To do so, you must include with your objection
11 (*see* Question 18 above) a statement that it is your “notice of intention to appear in
12 *Broadcom Corp. Class Action Litigation, EY Settlement*, No. CV-06-5036-R
13 (CWx).” Persons who intend to object and want to present evidence at the
14 Settlement Hearing must also include in their written objection the identity of any
15 witness they may call to testify and exhibits they intend to introduce at the
16 Settlement Hearing. You cannot speak at the hearing if you excluded yourself
17 from the Class or if you have not provided written notice of your intention to speak
18 at the Settlement Hearing according to the procedures described above and in the
19 answer to Question 18.

20 **IF YOU DO NOTHING**

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

23 If you do nothing, and you did not submit a claim in connection with the
24 earlier Broadcom Settlement, you will get ***no money*** from the EY Settlement and
25 you ***will not*** be able to start a lawsuit, continue with a lawsuit, or be part of any
26 other lawsuit against EY and the other Released Defendant Parties about the
27 Released Claims in this case. To share in the Net Settlement Fund you must
28 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

1 Released Claims in this case you must exclude yourself from this Class (*see*
2 Question 13).

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

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

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

16 **GETTING MORE INFORMATION**

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

18 This Notice summarizes the proposed Settlement. More details are in the
19 Stipulation and Agreement of Settlement With Ernst & Young LLP, dated as of
20 _____, 2012 (the “Stipulation”). You may review the Stipulation filed
21 with the Court and all documents filed in the Litigation during business hours at
22 the Office of the Clerk of the United States District Court for the Central District of
23 California, Spring Street Courthouse, 312 N. Spring Street, Los Angeles, CA
24 90012.

25 You also can call the Claims Administrator toll free at 800-[]; call Class
26 Counsel at (888) 212-5685; write to *Broadcom Corp. Class Action Litigation, EY*
27 *Settlement*, c/o The Garden City Group, LLP, []; or visit the websites
28 www.[] .com or www.labaton.com, where you can find answers to common

1 questions about the Settlement, download copies of the Proof of Claim form, and
2 locate other information to help you determine whether you are a Class Member
3 and whether you are eligible for a payment. **Please Do Not Call the Court or**
4 **Ernst & Young With Questions About the Settlement.**

5 **PLAN OF ALLOCATION OF NET SETTLEMENT FUND**
6 **AMONG CLASS MEMBERS**

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

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

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

7 The following Plan of Allocation reflects the allegations that the price of
8 Broadcom Class A common stock during the Class Period was inflated artificially
9 by reason of EY's allegedly false and misleading 2005 Audit Opinion. EY denies
10 any allegations of liability. The artificial inflation allegedly began on February 14,
11 2006 when Broadcom filed its Form 10-K for fiscal 2005, which attached EY's
12 2005 Audit Opinion. The Class Representative alleges that the 2005 Audit
13 Opinion contained materially false and misleading representations and omissions
14 regarding EY's audits of Broadcom, which were purportedly conducted in
15 accordance with GAAS.

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

24 **PROVISIONS OF PLAN OF ALLOCATION**

25 Each Authorized Claimant will receive a *pro rata* share of the cash in the
26 Net Settlement Fund based on his, her or its Recognized Loss. To the extent there
27 are sufficient funds in the Net Settlement Fund, each Authorized Claimant will
28 receive an amount equal to the Authorized Claimant's Recognized Loss, as defined

1 herein. If, however, the amount in the Net Settlement Fund is not sufficient to
2 permit payment of the total of all Recognized Losses, then each Authorized
3 Claimant will be paid the percentage of the Net Settlement Fund that each
4 Authorized Claimant's recognized claim bears to the total of the claims of all
5 Authorized Claimants ("*pro rata* share").

6 For purposes of determining whether a claimant had an out-of-pocket gain
7 from his, her, or its overall transactions in Broadcom Class A common stock
8 during the Class Period or suffered a net loss, the Claims Administrator shall
9 determine the difference between (i) the Total Purchase Amount⁴ and (ii) the sum
10 of the Sales Proceeds⁵ and the Holding Value.⁶ This difference will be deemed a
11 claimant's out-of-pocket gain or loss on his, her, or its overall transactions in
12 common stock during the Class Period.

13 To calculate the Recognized Loss on Broadcom Class A common stock
14 purchased and sold during the Class Period, such sales must be matched against
15 purchases during the Class Period. To do so, the earliest sale will be matched first
16 against those shares in the claimant's opening position on the first day of the Class
17 Period, and then matched chronologically thereafter against each purchase made
18 during the Class Period ("*FIFO Matching*"). This means that sales of Broadcom
19 Class A common stock will be first matched with any pre-Class Period holdings
20
21

22 ⁴ The "Total Purchase Amount" is the total amount the claimant paid for all
23 Broadcom Class A common stock purchased during the Class Period.

24 ⁵ The Claims Administrator shall match any sales of Broadcom Class A
25 common stock during the Class Period and sales during the PSLRA 90-day
26 look-back period first against the claimant's opening position in Broadcom
27 Class A common stock (the proceeds of those sales will not be considered for
28 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."

⁶ 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 [\$] per share (the "Holding
Value").

1 and then matched with purchases during the Class Period in chronological order.
2 Sales of pre-Class Period purchases shall have no Recognized Loss.

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

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

22 **Publicly Traded Broadcom Class A Common Stock**

23 For shares of Broadcom Class A common stock purchased between February 14,
24 2006 and May 25, 2006, inclusive:

25 A. For shares held at the end of trading on August 23, 2006, the Recognized
26 Loss shall be that number of shares multiplied by the lesser of:

- 27 (1) the applicable Claim Per Share figure for the date of purchase, as
28 found in Table A; or

- 1 (2) the amount by which the purchase price per share exceeds \$28.47.⁷
- 2 B. For shares sold between February 14, 2006 and May 25, 2006, the
3 Recognized Loss shall be that number of shares multiplied by the lesser of:⁸
- 4 (1) the applicable Claim Per Share figure for the date of purchase less the
5 applicable Claim Per Share figure for the date of sale, each as found in
6 Table A; or
- 7 (2) the amount by which the purchase price per share exceeds the sales
8 price per share.
- 9 C. For shares sold between May 26, 2006 and August 23, 2006, the Recognized
10 Loss shall be that number of shares multiplied by the lesser of:
- 11 (1) the applicable Claim Per Share figure for the date of purchase, as
12 found in Table A; or
- 13 (2) the amount by which the purchase price per share exceeds the average
14 closing price⁹ of Broadcom common stock between May 26, 2006 and
15 the date of sale.¹⁰

16 ⁷ Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action arising
17 under this title in which the plaintiff seeks to establish damages by reference to
18 the market price of a security, the award of damages to the plaintiff shall not
19 exceed the difference between the purchase or sale price paid or received, as
20 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.

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

23 ⁹ The Claims Administrator will calculate the average closing price of Broadcom
24 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.

25 ¹⁰ Pursuant to Section 21(D)(e)(2) of the PSLRA, “in any private action arising
26 under this title in which the plaintiff seeks to establish damages by reference to
27 the market price of a security, if the plaintiff sells or repurchases the subject
28 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.”

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Table A

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

Dated: _____, 2012

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

EXHIBIT A-2

**Must be
Postmarked No
Later Than**

Broadcom Corp. Class Action Litigation
EY Settlement
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9612

Dublin, OH 43017-4912
1(866) 975-4790

BR

Claim Number:

Control Number:

PROOF OF CLAIM AND RELEASE

THIS PROOF OF CLAIM IS ONLY TO BE USED BY CLAIMANTS WHO DID NOT PREVIOUSLY SUBMIT A CLAIM IN CONNECTION WITH THE EARLIER SETTLEMENT WITH BROADCOM CORPORATION (THE BROADCOM SETTLEMENT).

YOU MUST COMPLETE THIS CLAIM FORM BY _____, 2012 TO BE ELIGIBLE TO SHARE IN THE EY SETTLEMENT.

<u>TABLEOFCONTENTS</u>	<u>PAGE#</u>
SECTION A - CLAIMANT INFORMATION	2
SECTION B - BROADCOM CLASS A COMMON STOCK	3
SECTION C - RELEASE AND SIGNATURE	4

SECTION A-CLAIMANT INFORMATION

Claimant Name(s) (as you would like the name(s) to appear on the check, if eligible for payment):

Account Number: (not required)

Last 4 digits of Claimant Social Security Number/Taxpayer ID Number:

Name of the Person you would like the Claims Administrator to Contact Regarding This Claim (if different from the Claimant Name(s) listed above):

Claimant or Representative Contact Information:

The Claims Administrator will use this information for all communications relevant to this Claim (including the check, if eligible for payment). If this information changes, you MUST notify the Claims Administrator in writing at the address above.

Street Address:

City:

State and Zip Code:

Country (Other than U.S.):

Daytime Telephone Number: () -

Evening Telephone Number: () -

Email Address:

(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)

IF YOU FAIL TO SUBMIT A COMPLETE CLAIM BY _____, 2012 YOUR CLAIM IS SUBJECT TO REJECTION OR YOUR PAYMENT MAY BE DELAYED.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the website at www.broadcomclassactionsettlement.com or you may e-mail the Claims Administrator at eClaim@gardencitygroup.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at eClaim@gardencitygroup.com to inquire about your file and confirm it was received and acceptable.

NOTE: Separate Proofs of Claim should be submitted for each separate legal entity (for example, a claim from Joint Owners should not include separate transactions of just one of the Joint Owners, an Individual should not combine his or her IRA transactions with transactions made solely in the Individual's name). Conversely, a single Proof of Claim should be submitted on behalf of one legal entity including all transactions made by that entity no matter how many separate accounts that entity has (for example, a Corporation with multiple brokerage accounts should include all transactions made in Broadcom Class A common stock during the Class Period on one Proof of Claim, no matter how many accounts the transactions were made in.)

SECTION B - BROADCOM CLASS A COMMON STOCK

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW

1. **BEGINNING HOLDINGS:** Number of shares of Broadcom Class A common stock held at the beginning of trading on **February 14, 2006** (If none, write "zero" or "0." If other than zero, must be documented.)
2. **PURCHASES:** Purchases or other acquisitions, including by way of exchange, conversion or otherwise (on or after **February 14, 2006** through and including **May 25, 2006**) of Broadcom Class A common stock, inclusive. (Must be documented)

Date(s) of Purchase (List Chronologically) (Month/Day/Year)	Number of Shares Of Class A Common Stock Purchased	Purchase Price Per Share of Class A Common Stock	Total Purchase Price (excluding commissions, taxes and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

3. **PURCHASES:** Number of shares of Broadcom Class A common stock purchased during the period between **May 26, 2006** and **August 23, 2006**, inclusive, (If none, write "zero" or "0." If other than zero, must be documented.)
4. **SALES:** Sales or other deliveries, including by way of exchange or otherwise (on or after **February 14, 2006** through and including **August 23, 2006**) of Broadcom Class A common stock, inclusive. (Must be documented)

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares Of Class A Common Stock Sold	Sale Price Per Share of Class A Common Stock	Total Sales Price (excluding commissions, taxes and fees)
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

5. **UNSOLD HOLDINGS:** Number of shares of Broadcom Class A common stock held at the close of trading on **August 23, 2006**. (If none, write "zero" or "0." If other than zero, must be documented.)

**IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST
PHOTOCOPY THIS PAGE AND CHECK THIS BOX D
IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED**

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REMINDER CHECKLIST

1. Please fill out this form in its entirety.
2. Don't forget to sign page 4 of the Proof of Claim and Release.
3. For an overview of what constitutes adequate supporting documentation please visit www.gardencitygroup.com/cases/filingtips.html.
4. DO NOT SEND ORIGINALS OF ANY SUPPORTING DOCUMENTS.
5. The Claims Administrator will acknowledge receipt of your Proof of Claim by mail, within 45 days. Your Claim is not deemed filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 45 days, please call the Claims Administrator toll free at **1(866) 975-4790**.
6. If you move, please send us your new address.
7. **Do not use highlighter on the Proof of Claim form or supporting documentation.**
8. Please make a copy of your completed form for your records.

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN _____, 2012 AND MUST BE MAILED TO:

**Broadcom Corp. Class Action Litigation
EY Settlement
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9612
Dublin, OH 43017-4912**

EXHIBIT A-3

1 JOSEPH J. TABACCO, JR. #75484
Email: jtabacco@bermandevalerio.com
2 NICOLE LAVALLEE #165755
Email: nlavallee@bermandevalerio.com
3 **BERMAN DeVALERIO**
One California Street, Suite 900
4 San Francisco, CA 94111
Telephone: (415) 433-3200
5 Facsimile: (415) 433-6382

6 *Liaison Counsel for Class Representative New Mexico
State Investment Council and the Class*

7 THOMAS A. DUBBS (admitted *pro hac vice*)
8 Email: tdubbs@labaton.com
JOSEPH A. FONTI (admitted *pro hac vice*)
9 Email: jfonti@labaton.com
STEPHEN W. TOUNTAS (admitted *pro hac vice*)
10 Email: stountas@labaton.com
LABATON SUCHAROW LLP
11 140 Broadway
New York, New York 10005
12 Telephone: (212) 907-0700
Facsimile: (212) 818-0477

13 *Class Counsel for Class Representative New Mexico
14 State Investment Council and the Class*

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 (CWx)

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

22 }
23 **TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR
OTHERWISE ACQUIRED THE CLASS A COMMON STOCK OF
24 BROADCOM CORPORATION DURING THE PERIOD FROM
25 FEBRUARY 14, 2006 THROUGH MAY 25, 2006, INCLUSIVE, (THE
"CLASS PERIOD") AND WERE ALLEGEDLY DAMAGED
26 THEREBY (THE "CLASS").**

27 **YOU ARE HEREBY NOTIFIED**, pursuant to Rule 23 of the Federal
28 Rules of Civil Procedure and an Order of the Court, that the above-captioned

1 action has been certified as a class action and that a settlement of the action for
2 \$13,000,000 has been proposed by the Parties (the “EY Settlement”). A hearing
3 will be held before the Honorable Manuel L. Real of the United States District
4 Court for the Central District of California in the Spring Street Courthouse, Room
5 8, 312 N. Spring Street, Los Angeles, CA 90012, at __:___ .m., on _____
6 _____, 2012 to determine: whether the proposed settlement should be approved by
7 the Court as fair, reasonable, and adequate; whether the proposed plan of allocation
8 for distribution of the settlement proceeds should be approved; to consider the
9 request of Class Counsel for attorneys’ fees and reimbursement of litigation
10 expenses; and to consider the request of Class Representative, if any, for
11 reimbursement of its reasonable costs and expenses relating to its representation of
12 the Class. The Court may change the date of the hearing without providing another
13 notice.

14 **IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE,**
15 **YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED**
16 **TO SHARE IN THE NET SETTLEMENT FUND.** If you have not yet received
17 the full printed Notice of Pendency of Class Action and Proposed Settlement With
18 Ernst & Young LLP and Motion for Attorneys’ Fees and Expenses (“Notice”) or a
19 Proof of Claim and Release form (“Proof of Claim”) (if you did not already submit
20 one in connection with the previously approved settlement with Broadcom
21 Corporation (“Broadcom Settlement”)) you may obtain copies of these documents
22 by contacting the Claims Administrator:

23 *Broadcom Corp. Class Action Litigation, EY Settlement*

24 Claims Administrator

25 c/o [_____]

26 [_____]

27 [_____]

28 800-[_____]

www.[_____].com

1 Inquiries, other than requests for information about the status of a claim,
2 may also be made to Class Counsel:

3 Labaton Sucharow LLP
4 Thomas A. Dubbs
5 140 Broadway
6 New York, New York 10005
7 []
8 www.labaton.com

9 To participate in the proposed EY Settlement and be eligible to receive a
10 recovery, you must **either** (1) have already submitted a claim in connection with
11 the Broadcom Settlement; **or** (2) if you **did not** previously submit a claim, submit
12 a Proof of Claim in the EY Settlement *postmarked no later than* _____, **2012**.
13 To exclude yourself from the Class, **even if you previously excluded yourself**
14 **from the Broadcom Settlement**, you must submit a request for exclusion so that it
15 is *received no later than* _____, **2012**. If you are a Class Member
16 and do not exclude yourself from the Class, you will be bound by the Final Order
17 and Judgment as to Ernst & Young LLP and all future Orders in the action. Any
18 objection to the Settlement must be filed with the Court and served on counsel for
19 the parties so that it is *received no later than* _____, **2012**. If you
20 are a Class Member and do not timely submit a valid claim, you will not share in
21 the Settlement, but you nevertheless will be bound by the Final Order and
22 Judgment, and all future Orders, of the Court.

23 DATED: _____

24 BY ORDER OF THE COURT
25 UNITED STATES DISTRICT COURT
26 CENTRAL DISTRICT OF CALIFORNIA
27
28

EXHIBIT B

1 JOSEPH J. TABACCO, JR. #75484
Email: jtabacco@bermandevalerio.com
2 NICOLE LAVALLEE #165755
Email: nlavallee@bermandevalerio.com
3 **BERMAN DeVALERIO**
One California Street, Suite 900
4 San Francisco, CA 94111
Telephone: (415) 433-3200
5 Facsimile: (415) 433-6382

6 *Liaison Counsel for Class Representative New Mexico
State Investment Council and the Class*

7 THOMAS A. DUBBS (admitted *pro hac vice*)
8 Email: tdubbs@labaton.com
JOSEPH A. FONTI (admitted *pro hac vice*)
9 Email: jfonti@labaton.com
STEPHEN W. TOUNTAS (admitted *pro hac vice*)
10 Email: stountas@labaton.com
LABATON SUCHAROW LLP
11 140 Broadway
New York, New York 10005
12 Telephone: (212) 907-0700
Facsimile: (212) 818-0477

13 *Class Counsel for Class Representative New Mexico
14 State Investment Council and the Class*

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

18 In re BROADCOM CORPORATION
19 CLASS ACTION LITIGATION

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

) **[PROPOSED] FINAL ORDER AND**
) **JUDGMENT AS TO ERNST &**
) **YOUNG LLP**

) **Honorable Manuel L. Real**

1 **WHEREAS:**

2 A. As of _____, 2012, Class Representative, New
3 Mexico State Investment Council (“Class Representative”), acting on behalf of
4 itself and the Class, entered into a Stipulation and Agreement of Settlement with
5 Ernst & Young LLP (the “Stipulation”) with Ernst & Young LLP (“EY” or the
6 “Defendant”) in these consolidated actions (the “Litigation”).

7 B. Pursuant to the Preliminary Approval Order Providing for Notice and
8 Hearing in Connection With Proposed Class Action Settlement With Ernst &
9 Young LLP, entered _____, 2012 (the “Preliminary Approval Order”),
10 the Court scheduled a hearing for _____, 2012, at _____.m. (the
11 “Settlement Hearing”) to: (a) determine whether the proposed settlement of the
12 Litigation on the terms and conditions provided for in the Stipulation is fair,
13 reasonable and adequate, and should be approved by the Court; and (b) determine
14 whether a judgment as provided for in the Stipulation should be entered. The
15 Court ordered that the Notice of Pendency of Class Action and Proposed
16 Settlement With Ernst & Young LLP and Motion for Attorneys’ Fees and
17 Expenses (the “Notice”) and, where applicable, a Proof of Claim and Release Form
18 (“Proof of Claim”), in the form attached as Exhibits 1 and 2 to the Preliminary
19 Approval Order, be mailed by first-class mail, postage prepaid, on or before
20 _____, 2012 (“Notice Date”) to all putative Class Members at the address
21 of each such Person as set forth in the records of Broadcom Corporation
22 (“Broadcom”) or its transfer agent, or who otherwise could be identified through
23 reasonable effort, and that a Summary Notice of Pendency of Class Action and
24 Hearing on Proposed Settlement With Ernst & Young LLP and Motion for
25 Attorneys’ Fees and Expenses (the “Summary Notice”), in the form attached to the
26 Preliminary Approval Order as Exhibit 3, be published in *The Wall Street Journal*
27 and transmitted over *Business Wire* within fourteen (14) calendar days of the
28 Notice Date.

1 C. The Notice and the Summary Notice advised Class Members of the
2 date, time, place and purpose of the Settlement Hearing. The Notice further
3 advised that any objections to the Settlement were required to be filed with the
4 Court and served on counsel for the Parties by _____, 2012.

5 D. The provisions of the Preliminary Approval Order as to notice were
6 complied with.

7 E. On _____, 2012, Class Representative moved for final
8 approval of the Settlement, as set forth in the Preliminary Approval Order. The
9 Settlement Hearing was duly held before this Court on _____,
10 2012, at which time all interested Persons were afforded the opportunity to be
11 heard.

12 F. This Court has duly considered the Class Representative's motion, the
13 affidavits, declarations and memorandum of law submitted in support thereof, and
14 all of the submissions and arguments presented with respect to the proposed
15 Settlement.

16 NOW, THEREFORE, after due deliberation, IT IS ORDERED,
17 ADJUDGED AND DECREED that:

18 1. This Judgment incorporates by reference the definitions in the
19 Stipulation, and all capitalized terms used herein shall have the same meanings as
20 set forth in the Stipulation.

21 2. This Court has jurisdiction over the subject matter of the Litigation
22 and over all Parties to the Litigation, including all members of the Class.

23 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, on May
24 9, 2012, the Court entered the Order Certifying the Proposed Class and Appointing
25 Class Representative and Class Counsel, certifying this Litigation as a class action
26 on behalf of all persons and entities that purchased or otherwise acquired the Class
27 A common stock of Broadcom Corporation during the period from February 14,
28 2006 through May 25, 2006, inclusive, (the "Class Period"), and were allegedly

1 damaged thereby (the “Class”). Additionally, excluded from the Class are: the
2 current or former defendants in the Litigation; the partners, directors, and
3 principals of EY; the members of the immediate families of the former individual
4 defendants in the Litigation; the legal representatives, heirs, successors or assigns
5 of any excluded Person; any entity in which any current or former defendant has or
6 had a controlling interest; shares of Broadcom Class A common stock purchased
7 by any Broadcom employee who acquired the shares through the exercise of
8 incentive stock options from February 14, 2006 through May 25, 2006, inclusive;
9 and any Person who timely and validly seeks exclusion from the Class, as listed on
10 Exhibit A hereto.

11 4. The notification provided for and given to the Class was in
12 compliance with the Preliminary Approval Order, and said notification constituted
13 the best notice practicable under the circumstances and is in full compliance with
14 the notice requirements of due process, Federal Rule of Civil Procedure 23 and
15 Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-
16 4(a)(7).

17 5. The proposed Settlement of the Litigation on the terms and conditions
18 set forth in the Stipulation is in all respects fair, reasonable and adequate, in light
19 of the benefits to the Class, the complexity, expense and possible duration of
20 further litigation against EY, the risks of establishing liability and damages and the
21 costs of continued litigation. This Court further finds the Settlement set forth in
22 the Stipulation is the result of arm’s-length negotiations between experienced
23 counsel representing the interests of the Class Representative, the Class and the
24 Defendant.

25 6. The Stipulation and the proposed Settlement are hereby approved as
26 fair, reasonable, adequate, and in the best interests of the Class Members, and shall
27 be consummated in accordance with the terms and provisions of the Stipulation.
28

1 7. The Consolidated Amended Class Action Complaint, filed October
2 27, 2008, is hereby dismissed in its entirety, with prejudice, and without costs to
3 any Party, except as otherwise provided in the Stipulation.

4 8. The Court further finds, pursuant to the Private Securities Litigation
5 Reform Act of 1995 (“PSLRA”), 15 U.S.C. §78u-4 (c), that during the course of
6 the Litigation, the Parties and their respective counsel at all times complied with
7 the requirements of Federal Rule of Civil Procedure 11.

8 9. Upon the Effective Date, Class Representative and each Class
9 Member, whether or not such Class Member executes and delivers a Proof of
10 Claim, other than those listed in Exhibit A hereto, on behalf of themselves and
11 each of their respective heirs, executors, trustees, administrators, predecessors,
12 successors and assigns shall have fully, finally and forever waived, released,
13 discharged and dismissed each and every one of the Released Claims against each
14 and every one of the Released Defendant Parties and shall forever be barred and
15 enjoined, without the necessity of posting a bond, from commencing, instituting,
16 prosecuting or maintaining any of the Released Claims against any of the Released
17 Defendant Parties.

18 10. Upon the Effective Date, EY, on behalf of itself and its heirs,
19 executors, trustees, administrators, predecessors, successors and assigns shall have
20 fully, finally and forever waived, released, discharged and dismissed each and
21 every one of the Released Defendant’s Claims, as against each and every one of
22 the Released Plaintiff Parties and shall forever be barred and enjoined, without the
23 necessity of posting a bond, from commencing, instituting, prosecuting or
24 maintaining any of the Released Defendant’s Claims against any of the Released
25 Plaintiff Parties.

26 11. Pursuant to §21D(f)(7) of the PSLRA, 15 U.S.C. §78u-4(f)(7), each of
27 the Released Defendant Parties are hereby discharged from all claims and future
28 claims for contribution by any Person, whether arising under state, federal or

1 common law, arising out of the Litigation. Accordingly, to the full extent provided
2 by the PSLRA, the Court hereby bars all the claims referred to in this paragraph:
3 (a) by any Person against the Released Defendant Parties; and (b) by the Released
4 Defendant Parties against any Person, other than any Person whose liability has
5 been extinguished pursuant to the Stipulation and this Judgment.

6 12. Any final verdict or judgment in the Litigation obtained by or on
7 behalf of the Class Representative or the Class, if any, against any Person, other
8 than the Released Defendant Parties, shall be reduced in accordance with the
9 PSLRA.

10 13. Each Class Member, whether or not such Class Member executes and
11 delivers a Proof of Claim, other than those listed in Exhibit A hereto, is bound by
12 this Judgment, including, without limitation, the release of claims as set forth in the
13 Stipulation.

14 14. This Judgment and the Stipulation, and all papers related thereto are
15 not, and shall not be construed to be, an admission by EY of any liability, damages
16 or wrongdoing whatsoever, and shall not be offered as evidence of any such
17 liability, damages or wrongdoing in this or any other proceeding.

18 15. The administration of the Settlement, and the decision of all disputed
19 questions of law and fact with respect to the validity of any claim or right of any
20 Person to participate in the distribution of the Net Settlement Fund, shall remain
21 under the authority of this Court.

22 16. In the event that the Settlement does not become effective in
23 accordance with the terms of the Stipulation, then this Judgment shall be rendered
24 null and void to the extent provided by and in accordance with the Stipulation and
25 shall be vacated, and in such event, all orders entered and releases delivered in
26 connection herewith shall be null and void to the extent provided by and in
27 accordance with the Stipulation.
28

1 17. Without further order of the Court, the Parties may agree to
2 reasonable extensions of time to carry out any of the provisions of the Stipulation.

3 18. Any Court order regarding the Plan of Allocation or the attorneys' fee
4 and expense application shall in no way disturb or affect this Judgment and shall
5 be considered separate from this Judgment.

6 19. Without affecting the finality of this Judgment in any way, this Court
7 hereby retains continuing jurisdiction over: (a) implementation of the Settlement
8 and any award or distribution of the Net Settlement Fund, including interest earned
9 thereon, (b) disposition of the Settlement Fund; (c) hearing and determining
10 applications for attorneys' fees, costs, interest and reimbursement of expenses in
11 the Litigation; and (d) all Parties hereto for the purpose of construing, enforcing
12 and administering the Settlement. There is no just reason for delay in the entry of
13 this Judgment and immediate entry by the Clerk of the Court is expressly directed.

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15 Dated: _____, 2012

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17 _____
18 Honorable Manuel L. Real
19 UNITED STATES DISTRICT JUDGE
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EXHIBIT A

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