

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

In re CIRRUS LOGIC, INC.

§
§
§
§
§
§
§

Civil Action No. A-07-CA-212-SS

This Document Relates To:

ALL ACTIONS.

REVISED STIPULATION OF SETTLEMENT

This Revised Stipulation of Settlement dated as of March 10, 2009 (the "Stipulation") is made and entered into by and among the following Settling Parties (as defined below): (i) the Plaintiffs (on behalf of themselves and derivatively on behalf of Cirrus (as defined below)), by and through their counsel of record in the Litigation (as defined below); and (ii) the Defendants, by and through their counsel of record in the Litigation. The Stipulation is intended by the Settling Parties to fully, finally and forever resolve, discharge and settle the Released Claims (as defined below), upon and subject to the terms and conditions hereof.

I. THE LITIGATION

Based on Federal Plaintiffs' Counsel's extensive pre-filing investigations, which included, among other things, review and analysis of Cirrus' historical stock option grants and stock prices, SEC filings, and other publicly available information, on March 19, 2007, March 30, 2007, and May 22, 2007, shareholder derivative actions alleging federal and state claims based upon Defendants' alleged stock option dating practices, and ultimately consolidated as the Action (as defined below), were filed in the United States District Court for the Western District of Texas, Austin Division (the "Court") by Vladimir Gusinsky, Edward L. Morey and Lawrence Zucker, respectively. The Action was brought for the benefit of nominal defendant Cirrus against certain members of its Board of Directors and executive officers seeking to remedy Defendants' breaches of fiduciary duties, unjust enrichment, statutory violations and other violations of law resulting from their alleged backdating of stock options.

In addition, the State Court Action (as defined below) was filed in the State Court (as defined below) on January 5, 2007, alleging that Defendants breached their fiduciary duties to Cirrus in connection with the misdating of certain stock options for certain executives.

On October 11, 2007, Federal Plaintiffs filed a consolidated derivative complaint. On November 16, 2007, Federal Plaintiffs moved the Court to partially lift the PSLRA's discovery stay,

in order to obtain documents related to the Special Committee's investigation. Cirrus filed its motion to dismiss on November 15, 2007, which Federal Plaintiffs opposed on December 17, 2007. On December 21, 2007, certain of the Individual Defendants filed motions to dismiss the consolidated complaint and Federal Plaintiffs filed their oppositions on August 13, 2008. Cirrus filed its reply brief on August 13, 2008, while the Individual Defendants who moved to dismiss the consolidated complaint filed their reply briefs on September 5, 2008.

On August 28, 2008, this Court issued an order denying Cirrus' motion to dismiss. The Individual Defendants' motions to dismiss remain pending.

Counsel for the Settling Parties have engaged in substantial arm's-length negotiations in an effort to resolve the Litigation, including several mediation sessions with the Honorable Deborah Hankinson (Ret.) and numerous in-person meetings, teleconferences, and exchanges of drafts of settlement terms. The Settling Parties began preliminary settlement discussions in May 2007. On May 24, 2007, counsel for Vladimir Gusinsky and Edward L. Morey sent a settlement demand regarding potential corporate governance enhancements.

In anticipation of mediation, counsel for the Federal Plaintiffs sent another settlement demand on May 5, 2008. On May 12, 2008 and July 9, 2008, Plaintiffs' Counsel and counsel for Cirrus participated in formal mediation sessions before the Honorable Deborah Hankinson (Ret.). Also participating in the mediation sessions were representatives of Cirrus' D&O Insurer. Prior to the mediation sessions, Defendants provided Plaintiffs with over five thousand pages of non-public documents, including the Special Committee's report and supporting documentation concerning the Company's stock option granting practices between 1997 and 2006. Settlement negotiations continued throughout the summer and fall of 2008.

In addition, during this time, Federal Plaintiffs' Counsel conferred with counsel for Cirrus concerning extensive stock options data related to the Company's restatement and investigation and

negotiated improvements to internal controls, stock option granting practices and procedures and corporate governance.

Agreement on the terms of a settlement was reached among the parties and the D&O Insurer, which resulted in the filing of "Plaintiffs' Unopposed Motion for Preliminary Approval of Proposed Derivative Settlement Under Rule 23.1 of the Federal Rules of Civil Procedure." On December 30, 2008, following hearing, the Court denied the motion. The parties then agreed to modify the terms of the settlement, as reflected in this Stipulation.

II. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY

The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Litigation. The Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Litigation. The Defendants also have denied and continue to deny, *inter alia*, the allegations that the Plaintiffs, Cirrus or its stockholders have suffered damage, or that the Plaintiffs, Cirrus or its stockholders were harmed by the conduct alleged in the Litigation. The Defendants have further asserted that at all relevant times, they acted in good faith, consistent with their duties and in a manner they reasonably believed to be in the best interests of Cirrus and its stockholders.

Nonetheless, the Defendants have concluded that further conduct of the Litigation would be protracted and expensive, and that it is desirable that the Litigation be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants are entering into this Stipulation solely because the proposed settlement would eliminate the burden and expense of further litigation.

III. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT

The Plaintiffs believe that the claims asserted in the Litigation have merit. However, counsel for the Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Defendants through trial and appeals. Plaintiffs' Counsel also have taken into account the uncertainty and the risk of litigation, especially in complex actions such as the Litigation, as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Litigation. Plaintiffs' Counsel believe that the settlement set forth in this Stipulation confers substantial benefits upon Cirrus and its stockholders. Based on their evaluation, Plaintiffs have determined that the settlement set forth in the Stipulation is in the best interests of the Plaintiffs, Cirrus and its stockholders.

IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Plaintiffs (for themselves and derivatively on behalf of Cirrus) and the Defendants, by and through their respective counsel or attorneys of record, that, subject to all necessary court approvals, the Litigation and the Released Claims shall be finally and fully compromised, settled and released, and the Litigation shall be dismissed with prejudice, as to all Settling Parties, upon and subject to the terms and conditions of the Stipulation, as follows.

1. Definitions

As used in the Stipulation the following terms have the meanings specified below:

1.1 "Action" means the captioned consolidated action, *In re Cirrus Logic, Inc.*, Civil Action No. A-07-CA-212-SS.

1.2 "Cirrus" or the "Company" means nominal defendant Cirrus Logic, Inc.

1.3 “Court” means the United States District Court for the Western District of Texas, Austin Division.

1.4 “D&O Insurer” means XL Specialty Insurance Company and its predecessors, successors, parents, subsidiaries, divisions, assigns, and related or affiliated entities.

1.5 “D&O Policy” means the “Management Liability and Company Reimbursement Insurance Policy” issued by the D&O Insurer to Cirrus Logic, Inc., Policy Number ELU094260-06.

1.6 “Defendants” means the Individual Defendants and nominal defendant Cirrus.

1.7 “Effective Date” means the first date by which all of the events and conditions specified in ¶5.1 of the Stipulation have been met and have occurred.

1.8 “Federal Plaintiffs” means, collectively, Vladimir Gusinsky, Lawrence Zucker and Edward L. Morey.

1.9 “Federal Plaintiffs’ Counsel” means, collectively, Coughlin Stoia Geller Rudman & Robbins LLP, Barroway Topaz Kessler Meltzer & Check, LLP, Levi & Korsinsky, LLP, Kendall Law Group, LLP, and any successors to said counsel.

1.10 “Final” means the time when a Judgment that has not been reversed, vacated, or modified in any way is no longer subject to appellate review, either because of disposition on appeal and conclusion of the appellate process or because of passage, without action, of time for seeking appellate review. More specifically, it is that situation when: (1) either no appeal has been filed and the time has passed for any notice of appeal to be timely filed in either the State Action or the Action; or (2) an appeal has been filed and the court of appeals has either affirmed the Judgment or dismissed that appeal and the time for any reconsideration or further appellate review has passed; or (3) a higher court has granted further appellate review and that court has either affirmed the underlying Judgment or affirmed the court of appeals’ decision affirming the Judgment or dismissing the appeal.

1.11 "Individual Defendants" includes collectively those persons named as defendants in the Action and/or the State Court Action, including David D. French, Michael L. Hackworth, Suhas S. Patil, D. James Guzy, Walden C. Rhines, Robert H. Smith, William D. Sherman, Gerald R. Gray, Patrick Boudreau, Robert Dickinson, Craig Ensley, Terry M. Leeder, Gregory Scott Thomas, John T. Kurtzweil, Robert F. Donohue, John L. Melanson, Thurman Case, Keith E. Cheney, Robert A. Kromer, Jason Rhode, Eric J. Swanson, Robert W. Fay, Steven D. Overly, Jason Carlson, George N. Alexy, William D. Caparelli, Sam S. Srinivasan, Steven Dines, Ronald K. Shelton, Douglas J. Bartek, Arthur L. Swift, Henry M. Josefczyk, Thomas F. Kelly, Glenn C. Jones, Alfred S. Teo, C. Gordon Bell and David L. Lyon.

1.12 "Judgment" means the judgment to be rendered by the Court substantially in the form of Exhibit C.

1.13 "Litigation" means, collectively, the Action and the State Court Action.

1.14 "Notice" means the Notice of Proposed Settlement, substantially in the form attached hereto as Exhibit B-1.

1.15 "Person" means an individual, corporation, limited liability corporation, professional corporation, partnership, limited partnership, limited liability partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

1.16 "Plaintiffs" means collectively, the Federal Plaintiffs and the State Court Plaintiffs.

1.17 "Plaintiffs' Counsel" means counsel who have appeared for any of the Plaintiffs in the Litigation, including Federal Plaintiffs' Counsel and State Court Plaintiffs' Counsel, and any successors to said counsel.

1.18 “Related Parties” means each of a Defendant’s past or present directors, officers, employees, partners, members, principals, agents, insurers, reinsurers, attorneys, accountants, legal representatives, predecessors, successors, parents, subsidiaries, divisions, assigns, spouses, heirs and related or affiliated entities.

1.19 “Released Claims” shall collectively mean all claims (including “Unknown Claims” as defined in ¶1.27 hereof), or causes of action, including demands, rights, liabilities of every nature and description whatsoever (including, but not limited to, any claims for injunctive relief, declaratory relief, rescission or recessionary damages, interest, attorneys’ fees, expert or consulting fees, costs, expenses, or any other form of legal or equitable relief whatsoever), known or unknown, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including, without limitation, claims for negligence, gross negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, unjust enrichment, breach of contract or violations of any state or federal statute, rule or regulation, or common law that (a) have been asserted in the Litigation against the Released Persons: or (b) have been or could have been asserted in any forum by Cirrus or Cirrus stockholders derivatively on behalf of Cirrus against the Released Persons, that are based upon, arise out of or are related to the allegations, claims, facts, transactions, events, occurrences, acts, investigation, litigation, disclosures, statements, omissions or failures to act relating to the accounting for, grant of, award of, receipt of, exercise of and/or stock sales associated with any and all Cirrus stock options up to and through the date of the filing of the Action, including all matters involved, set forth, referred to, or alleged in any of the complaints filed in the Litigation.

1.20 “Released Persons” means each and all of the Defendants and their Related Parties.

1.21 “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf of themselves, Cirrus and its stockholders.

1.22 "State Court" means the 201st Judicial District Court, Travis County, Texas.

1.23 "State Court Action" means *Simone v. French, et al.*, Cause No. D-1-GN-07-000039 pending in the State Court.

1.24 "State Court Dismissal" means the order to be entered by the State Court dismissing the State Court Action with prejudice, substantially in the form of Exhibit D.

1.25 "State Court Plaintiff" means Daniel Simone.

1.26 "State Court Plaintiffs' Counsel" means Robbins Umeda LLP, The Shuman Law Firm, and Minton, Burton, Foster & Collins, P.C.

1.27 "Unknown Claims" means any Released Claim which any Plaintiff, Cirrus or Cirrus stockholders do not know or suspect to exist in his, her or its favor at the time of the release of the Released Persons, including claims which, if known by him, her or it, might have affected his, her or its settlement with and release of the Released Persons, or might have affected his, her or its decision not to object to the settlement. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs and Cirrus shall expressly waive and each of the Cirrus stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived, the provisions, rights and benefits of California Civil Code §1542, which provides:

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

Upon the Effective Date, the Plaintiffs and Cirrus shall expressly waive, and each of the Cirrus stockholders shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any jurisdiction or any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code §1542. The Plaintiffs, Cirrus and Cirrus stockholders may

hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but, upon the Effective Date, each Plaintiff and Cirrus shall expressly settle and release, and each Cirrus stockholder shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Cirrus stockholders shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the settlement of which this release is a part.

2. Settlement of the Derivative Claims

2.1 Cirrus has agreed to adopt and fully implement the corporate governance changes set forth in Exhibit A and incorporated herein by reference (“Corporate Governance Changes”). Defendants acknowledge that the Corporate Governance Changes were negotiated and agreed to as part of the settlement, and that Cirrus’s agreement to make these changes is a material part of the consideration for the settlement and is a direct result of the Litigation. Cirrus acknowledges that the pendency, prosecution and resulting settlement of the Litigation, including demands made in connection therewith, constitutes a material and substantial causal factor underlying the decision by Cirrus to adopt the Corporate Governance Changes. The Settling Parties agree that the Corporate Governance Changes constitute a substantial benefit to Cirrus and Cirrus stockholders. Cirrus also acknowledges that the events set forth in ¶¶2.2 and 2.3 below occurred during the pendency of the Litigation.

2.2 Between August and October 2007, Cirrus made a tender offer to employees of Cirrus who received options that were erroneously assigned grant dates that preceded the finalization of those grants. This offer provided employees with the opportunity to bring certain options into compliance with Internal Revenue Code Section 409A by amending such options or cancelling and replacing them with a new option, as applicable: 89,944 options were amended and 44,861 options were canceled and replaced.

2.3 On March 5, 2007, Cirrus and defendant David D. French ("French") entered into a Resignation Agreement. Under the terms of the Resignation Agreement, French agreed to cancel and not exercise certain option grants that the Special Committee of Cirrus' Board of Directors investigation of stock option granting practices identified as having favorable grant dates that were selected with the participation of Company executives. French also agreed to the re-pricing of certain stock options and to pay Cirrus the difference between the exercise price paid upon the exercise of any of such option grants and the exercise price as determined to be appropriate upon the correct accounting measurement date as determined in Cirrus's restatement of its historical financial statements. The Resignation Agreement also provides that French will repay any bonus or incentive compensation that would not have been earned had Cirrus's restated financial statements been used to calculate such bonus or incentive compensation, but in no event would such payment be in excess of \$100,000.

2.4 Subject to approval of the settlement by the Court, the D&O Insurer will pay to Cirrus from the remaining Limits of Liability of the D&O Policy, the sum of Two Million Eight Hundred Fifty Thousand Dollars (\$2,850,000), in consideration of which Plaintiffs and Plaintiffs' Counsel will waive and relinquish any claim for attorneys' fees and expenses.

3. Settlement Procedure

3.1 Promptly after execution of the Stipulation, the Settling Parties shall submit the Stipulation and its Exhibits to the Court and apply for an order substantially in the form of Exhibit B hereto, requesting preliminary approval of the settlement set forth in the Stipulation.

3.2 The Settling Parties will also move the Court to approve notice to Cirrus stockholders in a manner to include publication of the notice attached hereto as Exhibit B-1 within twenty (20) days of preliminary approval of the settlement and filing such notice with the Securities and Exchange Commission on a Form 8-K. Any and all costs of notice expenses shall be paid by Cirrus. Prior to the Settlement Hearing (defined below), Defendants will file with the Court an appropriate affidavit with respect to the notice provided to Cirrus shareholders.

3.3 Plaintiffs will request that after notice is given to Cirrus shareholders, the Court hold a hearing (the "Settlement Hearing") and approve the settlement of the Action as set forth herein.

3.4 After the Judgment in the Action becomes Final, the parties in the State Court Action will submit a joint State Court Dismissal to the State Court, substantially in the form of Exhibit D.

4. Releases

4.1 Upon the Effective Date, as defined in ¶1.7, Cirrus and the Plaintiffs (acting on their own behalf and, derivatively on behalf of Cirrus) shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Claims against the Released Persons and any and all claims (including Unknown Claims) arising out of, relating to, or in connection with the defense, settlement or resolution of the Litigation against the Released Persons. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

4.2 Upon the Effective Date, as defined in ¶1.7, each of the Released Persons shall be deemed to have, and by operation of the Judgments shall have, fully, finally, and forever released,

relinquished and discharged each and all of the Plaintiffs, Plaintiffs' Counsel, and Cirrus from all claims (including Unknown Claims), arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Litigation or the Released Claims. Nothing herein shall in any way impair or restrict the rights of any Settling Party to enforce the terms of the Stipulation.

5. Conditions of Settlement, Effect of Disapproval, Cancellation or Termination

5.1 The Effective Date of the Stipulation shall be conditioned on the occurrence of all of the following events:

(a) The Corporate Governance Changes set forth in Exhibit A have been approved by Cirrus' Board of Directors for implementation in accordance with Exhibit A;

(b) the Court has entered the Judgment;

(c) the State Court has entered the State Court Dismissal;

(d) the Federal Court Judgment and the State Court Dismissal have become Final, as defined in ¶1.10 above; and

(e) the D&O Insurer has paid to Cirrus the amount of \$2.85 million, as provided for in ¶2.4 hereof.

5.2 If any of the conditions specified in ¶5.1 are not met, then the Stipulation shall be canceled and terminated subject to ¶5.3 unless Plaintiffs' Counsel and counsel for Defendants mutually agree in writing to proceed with the Stipulation.

5.3 If for any reason the Effective Date of the Stipulation does not occur, or if the Stipulation is in any way canceled or terminated or if any rulings in the Litigation related to the Stipulation are successfully attacked collaterally, the Settling Parties shall be restored to their respective position in the Litigation as of March 9, 2009. In such event, the terms and provisions of the Stipulation, except those set forth in ¶6.3, shall have no further force and effect with respect to

the Settling Parties and shall not be used in the Litigation for any purpose and any judgment or order entered by the Court or the State Court in accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*.

6. Miscellaneous Provisions

6.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this Stipulation; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the Stipulation.

6.2 The Settling Parties intend this settlement to be a final and complete resolution of all disputes between them with respect to the Litigation. The settlement compromises claims which are contested and shall not be deemed an admission by any Settling Party as to the merits of any claim, allegation or defense. While Defendants deny that the claims advanced in the Litigation are meritorious, Defendants agree that the litigation was filed in good faith and in accordance with the applicable federal and Texas state rules, including, without limitation, Federal Rule of Civil Procedure 11, Rule 13 of the Texas Rules of Civil Procedure, and Chapter 10 of the Texas Civil Practice and Remedies Code, and Plaintiffs and Defendants further agree that the claims are being settled voluntarily after consultation with competent legal counsel. The Settling Parties will jointly request that the Judgment contain a finding that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11, Rule 13 of the Texas Rules of Civil Procedure, and Chapter 10 of the Texas Civil Practice and Remedies Code.

6.3 Neither the Stipulation nor the settlement, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be offered, attempted to be offered or used in any way by the Settling Parties as a

presumption, a concession or an admission of, or evidence of, any fault, wrongdoing or liability of the Defendants or of the validity of any Released Claims; or (b) is intended by the Settling Parties to be offered or received as evidence or used by any other Person in any other actions or proceedings, whether civil, criminal or administrative. Defendants may file the Stipulation and/or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, full faith and credit, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

6.4 The Exhibits to this Stipulation are material and integral parts hereof and are fully incorporated herein by this reference.

6.5 The Stipulation may be amended or modified only by a written instrument signed by or on behalf of all Settling Parties or their respective successors-in-interest.

6.6 This Stipulation and the Exhibits attached hereto constitute the entire agreement among the Settling Parties and no representations, warranties or inducements have been made to any Settling Party concerning the Stipulation or any of its Exhibits other than the representations, warranties and covenants contained and memorialized in such documents. Except as otherwise provided herein, each Settling Party shall bear its own costs.

6.7 Plaintiffs' Counsel are expressly authorized by the Plaintiffs to take all appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms and also are expressly authorized by the Plaintiffs to enter into any modifications or amendments to the Stipulation which they deem appropriate on behalf of the Plaintiffs.

6.8 Each counsel or other Person executing the Stipulation or its Exhibits on behalf of any Settling Party hereby warrants that such Person has the full authority to do so.

6.9 The Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of counterparts, either originally executed or copies thereof, shall be filed with the Court.

6.10 The Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and the Released Persons.

6.11 The Court shall retain jurisdiction with respect to implementation and enforcement of the terms of the Stipulation, and the Settling Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

6.12 This Stipulation and the Exhibits attached hereto shall be considered to have been negotiated, executed and delivered, and to be wholly performed, in the State of Texas, and the rights and obligations of the parties to the Stipulation shall be construed and enforced in accordance with, and governed by, the internal, substantive laws of the State of Texas without giving effect to that State's choice of law principles.

IN WITNESS WHEREOF, the Settling Parties have caused the Stipulation to be executed by their duly authorized attorneys and dated as of March 10, 2009.

KENDALL LAW GROUP, LLP
JOE KENDALL
State Bar No. 11260700
3232 McKinney Avenue, Suite 700
Dallas, TX 75204
Telephone: 214/744-3000
214/744-3015 (fax)

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JOY ANN BULL
TRAVIS E. DOWNS III
JAMES I. JACONETTE



JOY ANN BULL

655 West Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: 619/231-1058
619/231-7423 (fax)

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JOHN K. GRANT
100 Pine Street, Suite 2600
San Francisco, CA 94111
Telephone: 415/288-4545
415/288-4534 (fax)

BARROWAY TOPAZ KESSLER
MELTZER & CHECK, LLP
ERIC L. ZAGAR
NICHOLE T. BROWNING
ALISON K. CLARK

Eric L. Zagar w/permission

ERIC L. ZAGAR *aka*

280 King of Prussia Road
Radnor, PA 19087
Telephone: 610/667-7706
610/667-7056 (fax)

LEVI & KORSINSKY, LLP
EDUARD KORSINSKY
39 Broadway Suite 1601
New York, NY 10006
Telephone: 212/ 363-7500
212/ 353-7171 (fax)

Attorneys for Federal Plaintiffs

ROBBINS UMEDA LLP
BRIAN J. ROBBINS

BRIAN J. ROBBINS

655 West Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: 619/231-1058
619/231-7423 (fax)

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
JOHN K. GRANT
100 Pine Street, Suite 2600
San Francisco, CA 94111
Telephone: 415/288-4545
415/288-4534 (fax)

BARROWAY TOPAZ KESSLER
MELTZER & CHECK, LLP
ERIC L. ZAGAR
NICHOLE T. BROWNING
ALISON K. CLARK

ERIC L. ZAGAR

280 King of Prussia Road
Radnor, PA 19087
Telephone: 610/667-7706
610/667-7056 (fax)

LEVI & KORSINSKY, LLP
EDUARD KORSINSKY
39 Broadway Suite 1601
New York, NY 10006
Telephone: 212/ 363-7500
212/ 353-7171 (fax)

Attorneys for Federal Plaintiffs

ROBBINS UMEDA LLP
BRIAN J. ROBBINS


BRIAN J. ROBBINS

610 West Ash Street, Suite 1800
San Diego, CA 92101
Telephone: 619/525-3990
619/525-3991 (fax)

Attorneys for State Court Plaintiff

VINSON & ELKINS, L.L.P.
GARY EWELL
DAVID R. WOODCOCK, JR.



GARY EWELL

The Terrace 7
2801 Via Fortuna, Suite 100
Austin, TX 78746
Telephone: 512/542-8400
512/542-8612 (fax)

Attorneys for Cirrus Logic, Inc.

MCGINNIS, LOCHRIDGE & KILGORE LLP
PAT LOCHRIDGE
LIN HUGHES

PAT LOCHRIDGE

600 Congress Avenue, Suite 2100
Austin, TX 78701
Telephone: 512/495-6000
512/495-6093 (fax)

Attorneys for Defendant David French

HAYNES AND BOONE, LLP
LAWRENCE A. GAYDOS
CHRISTOPHER ROGERS

LAWRENCE A. GAYDOS

610 West Ash Street, Suite 1800
San Diego, CA 92101
Telephone: 619/525-3990
619/525-3991 (fax)

Attorneys for State Court Plaintiff

VINSON & ELKINS, L.L.P.
GARY EWELL
DAVID R. WOODCOCK, JR.

GARY EWELL

The Terrace 7
2801 Via Fortuna, Suite 100
Austin, TX 78746
Telephone: 512/542-8400
512/542-8612 (fax)

Attorneys for Cirrus Logic, Inc.

MCGINNIS, LOCHRIDGE & KILGORE LLP
PAT LOCHRIDGE
LIN HUGHES



PAT LOCHRIDGE

600 Congress Avenue, Suite 2100
Austin, TX 78701
Telephone: 512/495-6000
512/495-6093 (fax)

Attorneys for Defendant David French

HAYNES AND BOONE, LLP
LAWRENCE A. GAYDOS
CHRISTOPHER ROGERS

LAWRENCE A. GAYDOS

610 West Ash Street, Suite 1800
San Diego, CA 92101
Telephone: 619/525-3990
619/525-3991 (fax)

Attorneys for State Court Plaintiff

VINSON & ELKINS, L.L.P.
GARY EWELL
DAVID R. WOODCOCK, JR.

GARY EWELL

The Terrace 7
2801 Via Fortuna, Suite 100
Austin, TX 78746
Telephone: 512/542-8400
512/542-8612 (fax)

Attorneys for Cirrus Logic, Inc.

MCGINNIS, LOCHRIDGE & KILGORE LLP
PAT LOCHRIDGE
LIN HUGHES

PAT LOCHRIDGE

600 Congress Avenue, Suite 2100
Austin, TX 78701
Telephone: 512/495-6000
512/495-6093 (fax)

Attorneys for Defendant David French

HAYNES AND BOONE, LLP
LAWRENCE A. GAYDOS
CHRISTOPHER ROGERS

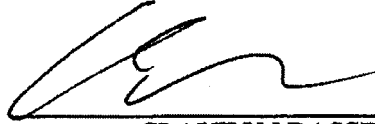


LAWRENCE A. GAYDOS

2323 Victory Avenue
Suite 700
Dallas, TX 75219
Telephone: 214/651-5000
214/651-5940 (fax)

Attorneys for Defendant Steve Overly

WILSON SONSINI GOODRICH &
ROSATI, P.C.
CYNTHIA A. DY
CLAYTON BASSER-WALL



CLAYTON BASSER-WALL

650 Page Mill Road
Palo Alto, CA 94304-1050
Telephone: 650/493-9300
650/493-6811 (fax)

Attorneys for Defendants Patrick V. Boudreau,
Robert V. Dickinson, Craig H. Ensley, John T.
Kurtzweil, Arthur L. Swift, Eric. J. Swanson, Sam
S. Srinivasan, George N. Alexy, Douglas J. Bartek,
Gordon C. Bell, William D. Caparelli, Jason
Carlson, Steven Dines, Robert F. Donohue, Robert
W. Fay, Glenn C. Jones, Henry M. Josefczyk,
Thomas F. Kelly, David L. Lyon, Ronald K.
Shelton, and Terry Leeder

GIBBS & BRUNS, L.L.P.
BARRETT H. REASONER
AYESHA NAJAM

BARRETT H. REASONER

1100 Louisiana, Suite 5300
Houston, TX 77002
Telephone: 713/650-8805
713/750-0903 (fax)

2323 Victory Avenue
Suite 700
Dallas, TX 75219
Telephone: 214/651-5000
214/651-5940 (fax)

Attorneys for Defendant Steve Overly

WILSON SONSINI GOODRICH &
ROSATI, P.C.
CYNTHIA A. DY
CLAYTON BASSER-WALL

CLAYTON BASSER-WALL

650 Page Mill Road
Palo Alto, CA 94304-1050
Telephone: 650/493-9300
650/493-6811 (fax)

Attorneys for Defendants Patrick V. Boudreau,
Robert V. Dickinson, Craig H. Ensley, John T.
Kurtzweil, Arthur L. Swift, Eric. J. Swanson, Sam
S. Srinivasan, George N. Alexy, Douglas J. Bartek,
Gordon C. Bell, William D. Caparelli, Jason
Carlson, Steven Dines, Robert F. Donohue, Robert
W. Fay, Glenn C. Jones, Henry M. Josefczyk,
Thomas F. Kelly, David L. Lyon, Ronald K.
Shelton, and Terry Leeder

GIBBS & BRUNS, L.L.P.
BARRETT H. REASONER
AYESHA NAJAM


BARRETT H. REASONER

1100 Louisiana, Suite 5300
Houston, TX 77002
Telephone: 713/650-8805
713/750-0903 (fax)

Attorneys for Defendants Michael Hackworth,
Gregory Scott Thomas, Gerald R. Gray, Suhas S.
Patil, John L. Melanson, D. James Guzy, Walden
Rhines, Robert H. Smith, Jason Rhode, Thurman K.
Case, Keith E. Cheney, Robert A. Kromer, and
William D. Sherman

LEVATINO|PACE LLP
STEVEN C. LEVATINO

A handwritten signature in black ink that reads "Steven C. Levatino". The signature is written in a cursive style with a large, sweeping initial "S".

STEVEN C. LEVATINO

1101 S. Capital of Texas Hwy.
Building K, Suite 200
Austin, TX 78746
Telephone: 512/637-1581
512/637-1583 (fax)

Attorneys for Defendant Alfred Teo