

Exhibit 1

EXECUTION COPY

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

17 In re BROADCOM CORPORATION 18 CLASS ACTION LITIGATION 19 20 21 22	}	Lead Case No.: CV-06-5036-R (CWx) STIPULATION AND AGREEMENT OF SETTLEMENT WITH BROADCOM DEFENDANTS
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EXECUTION COPY

1 This stipulation and agreement of settlement (“Stipulation” or “Settlement”)
2 is made and entered into by and between New Mexico State Investment Council
3 (“Lead Plaintiff”), on behalf of itself and a putative class, and Broadcom
4 Corporation (“Broadcom”), Henry Samueli (“Samueli”), William J. Ruele
5 (“Ruele”), David A. Dull (“Dull”), Alan E. Ross (“Ross”), and Werner F. Wolfen
6 (“Wolfen”) (collectively, “Individual Defendants,” and with Broadcom, the
7 “Settling Defendants”).

WHEREAS:

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

12 B. On October 12, 2006, Lead Plaintiff filed a motion with the U.S.
13 District Court for the Central District of California (the “Court”) for appointment
14 as Lead Plaintiff in the above-referenced action, entitled *In re Broadcom*
15 *Corporation Class Action Litigation* (the “Litigation”). By order dated November
16 27, 2006, the Court appointed New Mexico to serve as Lead Plaintiff and, on April
17 3, 2008, approved Lead Plaintiff’s selection of Thomas A. Dubbs of Labaton
18 Sucharow LLP to serve as Lead Counsel.

19 C. On April 21, 2008, Lead Plaintiff filed a Consolidated Class Action
20 Complaint (the “Consolidated Complaint”), alleging claims under Sections 10(b)
21 and 20(a) of the Securities Exchange Act of 1934 against defendants Broadcom,
22 Samueli, Henry T. Nicholas, III (“Nicholas”), Ruele, Dull, Wolfen, Ross, George
23 L. Farinsky (“Farinsky”) and non-settling party Ernst & Young LLP (“EY”). The
24 Consolidated Complaint asserted claims on behalf of all persons and entities who
25 purchased or otherwise acquired Broadcom’s Class A common stock during the
26 period between July 21, 2005 and July 13, 2006, 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, Lead Plaintiff filed a Consolidated Amended
4 Class Action Complaint (the “Amended Complaint”). The Amended Complaint
5 sets forth additional alleged facts concerning Defendants’ alleged scienter, and
6 provides a detailed discussion of Lead Plaintiff’s purported loss causation theory,
7 as devised by Lead Plaintiff and Lead Plaintiff’s economic consultants.

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

14 G. On February 18, 2009, Lead Plaintiff filed a notice of intent not to
15 amend the Amended Complaint as to EY and Farinsky, acknowledging that, as a
16 result, the orders dismissing both parties were with prejudice. Lead Plaintiff has
17 appealed the dismissal of EY, which is pending before the United States Court of
18 Appeals for the Ninth Circuit.

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

23 I. Lead Plaintiff also issued seven (7) document requests and fourteen
24 (14) subpoenas to Defendants and various third parties, and reviewed and analyzed
25 over 4 million pages of responsive documents during the course of the Litigation.

26 J. Certain parties in the shareholder derivative action captioned *In re:*
27 *Broadcom Corp. Derivative Litigation*, Docket No. 06-cv-3252, pending in the
28

1 U.S. District Court for the Central District of California (the “Derivative Action”),
2 entered into a partial settlement of that action.

3 K. On September 30, 2009, as a condition of the partial settlement in the
4 Derivative Action, the Court entered an order staying certain discovery in this
5 Litigation pending the resolution of criminal trials in *U.S. v. Nicholas, et al.*, Case
6 No. CR-08-00139, then-pending in the U.S. District Court for the Central District
7 of California, against Broadcom’s former Chief Executive Officer (“CEO”) and
8 former Chief Financial Officer (“CFO”) (the “Criminal Action”).

9 L. On October 8, 2009, the Court entered an Amended Order permitting
10 the parties to continue to analyze documents and information produced in
11 connection with this matter, consult with experts, and to continue to develop the
12 parties’ claims and defenses (other than through formal discovery). At the time of
13 the discovery stay, the parties were preparing for depositions, and were in the
14 process of negotiating a schedule for the first phase of depositions.

15 M. In December 2009, the court in the Criminal Action dismissed the
16 criminal charges against Broadcom’s former CEO and former CFO, as well as
17 charges against Broadcom’s then-former Chief Technical Officer in the criminal
18 action captioned *U.S. v. Samuelli*, Case No. CR-08-00156 (C.D. Cal.) (collectively
19 with the Criminal Action, the “Criminal Actions”).

20 N. Settlement discussions concerning the Litigation initially commenced
21 in late Spring 2008. Lead Counsel attended a mediation session on June 17, 2008
22 before the Honorable Daniel Weinstein (Ret.) and Special Master Carroll, who had
23 been presiding over settlement discussions in the Derivative Action. Although the
24 June 17 mediation session did not result in a settlement at that time, it laid the
25 groundwork for the parties to resume their settlement discussions at a later date.

26 O. In the Summer of 2009, after conducting several months of fact
27 discovery, Broadcom and Lead Plaintiff re-initiated their settlement discussions.
28 Broadcom and Lead Plaintiff ultimately agreed to attend a mediation session on

1 December 22, 2009 before co-mediators Eric Green and Special Master Carroll.
2 Prior to the December 22 mediation, the co-mediators and counsel for Broadcom
3 and Lead Plaintiff participated in joint, as well as ex parte, telephonic discussions,
4 and addressed numerous issues that would likely be disputed at the mediation,
5 including loss causation, damages and the potential impact of the dismissals in the
6 Criminal Actions.

7 P. On December 22, 2009, Broadcom and Lead Plaintiff participated in a
8 mediation session before Eric Green and Special Master Carroll, attended by client
9 representatives for each. The Individual Defendants and their representatives did
10 not participate in this mediation. Ultimately, through mediated, arms-length
11 settlement negotiations, Broadcom and Lead Plaintiff reached an agreement in
12 principle that led to this Settlement.

13 Q. The Settling Defendants have denied and continue to deny any fault,
14 liability, or wrongdoing of any kind. The Settling Defendants have denied and
15 continue to deny each and all of the claims and contentions alleged by Lead
16 Plaintiff on behalf of the Settlement Class. Although Broadcom restated certain of
17 its financial statements due to stock option issues, the Settling Defendants have
18 denied and continue to deny, among other things, the allegations that the price of
19 Broadcom stock was artificially inflated by reasons of any alleged “scheme,”
20 misrepresentations, omissions, or otherwise. The Settling Defendants further
21 maintain that throughout the Class Period they engaged in no fraudulent scheme.
22 The Settling Defendants further have denied and continue to deny that Lead
23 Plaintiff or any other Broadcom shareholder or any member of the Settlement
24 Class was harmed or suffered any loss as a result of the conduct alleged in the
25 Litigation. This Stipulation, whether or not consummated, any proceedings
26 relating to any settlement, or any of the terms of any settlement, whether or not
27 consummated, shall in no event be construed as, or deemed to be evidence of, an
28 admission or concession on the part of any Settling Defendant with respect to any

1 claim or of any fault or liability or wrongdoing or damage whatsoever, or any
2 infirmity in any defense that the Settling Defendants have or could have asserted.
3 Settling Defendants state that they are entering into this Settlement to eliminate the
4 burden, expense, uncertainty, distraction and risk of further litigation.

5 R. Lead Plaintiff believes that the claims asserted in the Litigation have
6 merit and that the evidence developed to date supports the claims asserted.
7 However, Lead Plaintiff and Lead Counsel recognize and acknowledge the
8 expense and length of continued proceedings necessary to prosecute the Litigation
9 against the Settling Defendants through trial and appeals. Lead Plaintiff and Lead
10 Counsel also have taken into account the uncertain outcome and the risk of any
11 litigation, especially in complex actions such as the Litigation, as well as the
12 difficulties and delays inherent in such litigation. Lead Counsel also is mindful of
13 the inherent problems of proof of and the possible defenses to the violations
14 asserted in the Litigation. Lead Plaintiff and Lead Counsel believe that the
15 settlement set forth in this Stipulation confers substantial monetary benefits upon
16 the Settlement Class. Based on their evaluation, Lead Plaintiff and Lead Counsel
17 have determined that the settlement set forth in this Stipulation is in the best
18 interests of Lead Plaintiff and the Settlement Class.

19 **NOW THEREFORE**, without any concession by Lead Plaintiff that the
20 Litigation lacks merit, and without any concession by Settling Defendants of any
21 liability or wrongdoing or lack of merit in their defenses, it is hereby
22 **STIPULATED AND AGREED**, by and among the Settling Parties to this
23 Stipulation, through their respective attorneys, subject to approval by the Court
24 pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in
25 consideration of the benefits flowing to the Settling Parties hereto, all Released
26 Claims and all Released Defendants' Claims as against all Released Parties shall
27 be compromised, settled, released and dismissed with prejudice, and without costs,
28 upon and subject to the following terms and conditions:

CERTAIN DEFINITIONS

1
2 1. As used in this Stipulation, the following terms shall have the
3 meanings set forth below:

4 (a) “Authorized Claimant” means a Class Member who timely
5 submits a valid Proof of Claim to the Claims Administrator.

6 (b) “Claims Administrator” means the firm of The Garden City
7 Group, Inc., which has been retained by Lead Counsel, subject to Court approval,
8 to process Proofs of Claim and administer the Settlement.

9 (c) “Class Member” means any person or entity that is a member of
10 the Settlement Class and not excluded therefrom.

11 (d) “Class Period” means the period from July 21, 2005 through
12 July 13, 2006, inclusive.

13 (e) “Company” means Broadcom Corporation.

14 (f) “Court” means the United States District Court for the Central
15 District of California, Western Division.

16 (g) “Defendants” means Broadcom, Samueli, Ruehle, Dull, Ross,
17 Wolfen, and EY.

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

22 (i) “Distribution Order” means an order of the Court approving the
23 Claims Administrator’s administrative determinations concerning the acceptance
24 and rejection of the claims submitted and approving any fees and expenses not
25 previously paid, including the fees and expenses of the Claims Administrator and,
26 if the Effective Date has occurred, directing payment of the Net Settlement Fund to
27 Authorized Claimants.
28

1 (j) “Effective Date” means the date upon which the Settlement
2 shall become effective, as set forth in ¶ 39 below.

3 (k) “Escrow Account” means the interest bearing account to be
4 established by Lead Counsel at a federally-insured banking institution.

5 (l) “Escrow Agent” means Lead Counsel.

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

27 (n) “Individual Defendants” means Samueli, Ruehle, Dull, Ross
28 and Wolfen.

1 (o) “Judgment” means the proposed judgment to be entered
2 approving the Settlement substantially in the form attached hereto as Exhibit B.

3 (p) “Lead Counsel” means the law firm of Labaton Sucharow LLP.

4 (q) “Lead Plaintiff” means the New Mexico State Investment
5 Council.

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

10 (s) “Net Settlement Fund” means the Settlement Fund less: (i)
11 Court awarded attorneys’ fees and expenses; (ii) Notice and Administration
12 Expenses; (iii) any required Taxes; and (iv) any other fees or expenses approved by
13 the Court, including any award to the Lead Plaintiff of its reasonable costs and
14 expenses (including lost wages).

15 (t) “Notice” means the Notice of Pendency of Class Action and
16 Proposed Settlement, which is to be sent to members of the Settlement Class
17 substantially in the form attached hereto as Exhibit 1 to Exhibit A hereto.

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

24 (v) “Person” means an individual, his or her spouse, corporation
25 (including all divisions and subsidiaries), general or limited partnership,
26 association, joint stock company, joint venture, limited liability company,
27 professional corporation, estate, legal representative, trust, unincorporated
28 association, government or any political subdivision or agency thereof, and any

1 other business or legal entity and its heirs, predecessors, successors, representatives
2 or assigns.

3 (w) "Preliminary Approval Order" means the proposed order
4 preliminarily approving the Settlement and directing notice to the Settlement Class
5 of the pendency of the Litigation and of the Settlement, which shall be
6 substantially in the form attached hereto as Exhibit A.

7 (x) "Proof of Claim" means the Proof of Claim and Release form
8 for submitting a claim, which shall be substantially in the form attached as Exhibit
9 2 to Exhibit A hereto.

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

1 claims asserted in the Derivative Action and/or the State Derivative Action; (ii)
2 claims to enforce the Settlement; (iii) claims brought in the Litigation against EY;
3 (iv) claims brought by Broadcom against EY; or (v) any governmental or
4 regulatory agency's claims asserted in any criminal or civil action against any of
5 the current or former defendants.

6 (z) "Released Defendants' Claims" means all claims, rights and
7 causes of action of every nature and description, whether known or unknown (as
8 defined below), whether arising under federal, state, or any other law, that the
9 Settling Defendants, or any of them, asserted, or could have asserted, against any
10 of the Released Plaintiff Parties that arise out of or relate in any way to the
11 commencement, prosecution, settlement or resolution of the Litigation (other than
12 claims to enforce the Settlement).

13 (aa) "Released Defendant Parties" means any and all of the Settling
14 Defendants and each of their current or former officers, directors, employees,
15 partners, principals, agents, attorneys, personal or legal representatives,
16 consultants, experts, predecessors, successors, parents, subsidiaries, divisions, joint
17 ventures, assigns, general or limited partners or partnerships, limited liability
18 companies, spouses, heirs, executors, estates, administrators, related or affiliated
19 entities, any entity in which any Settling Defendant has a controlling interest, any
20 members of any Settling Defendant's immediate family, or any trust of which any
21 Settling Defendant is the settlor or which is for the benefit of any member of any
22 Settling Defendant's family. Released Defendant Parties does not include EY.

23 (bb) "Released Parties" means the Released Defendant Parties and
24 the Released Plaintiff Parties collectively.

25 (cc) "Released Plaintiff Parties" means Lead Plaintiff, the
26 Settlement Class, Lead Counsel and their respective partners, employees, heirs,
27 executors, administrators, trustees, successors, predecessors and assigns.
28

1 (dd) “Settlement” means the resolution of the Litigation as against
2 the Settling Defendants in accordance with the terms and provisions of this
3 Stipulation.

4 (ee) “Settlement Amount” means the total principal amount of
5 \$160,500,000.00 in cash.

6 (ff) “Settlement Class” means all persons and entities that
7 purchased or otherwise acquired the Class A common stock of Broadcom during
8 the period from July 21, 2005 through July 13, 2006, inclusive, and were allegedly
9 damaged thereby. Excluded from the Settlement Class are: the current or former
10 defendants in the Litigation; the officers and directors of the Company; the
11 members of the immediate families of the current or former individual defendants
12 in the Litigation; the legal representatives, heirs, successors or assigns of any
13 excluded Person; any entity in which any current or former defendant has or had a
14 controlling interest; shares of Broadcom Class A common stock purchased by any
15 Broadcom employee who acquired the shares through the exercise of incentive
16 stock options from July 21, 2005 through July 13, 2006, inclusive; and any Person
17 who timely and validly seeks exclusion from the Settlement Class.

18 (gg) “Settlement Fund” means (i) \$160,500,000.00 in cash to be
19 paid by or on behalf of the Settling Defendants into the Escrow Account (as set
20 forth in ¶ 6 below) and (ii) any earnings on any monies held in the Escrow
21 Account.

22 (hh) “Settlement Hearing” means the hearing to be held by the Court
23 to determine whether the proposed Settlement is fair, reasonable and adequate and
24 should be approved.

25 (ii) “Settling Defendants” means Broadcom, Samueli, Ruehle, Dull,
26 Ross and Wolfen.

1 (jj) “Settling Defendants’ Counsel” means the law firms of Irell &
2 Manella LLP; Skadden, Arps, Slate, Meagher and Flom LLP; McDermott, Will &
3 Emery; DLA Piper LLP (US); and O’Melveny & Myers LLP.

4 (kk) “Settling Party” or “Settling Parties” means Settling
5 Defendants, the Settlement Class and Lead Plaintiff.

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

9 (mm) “Stipulation” means this Stipulation and Agreement of
10 Settlement.

11 (nn) “Summary Notice” means the Summary Notice of Pendency of
12 Class Action and Proposed Settlement With Broadcom Defendants for publication,
13 which shall be substantially in the form attached as Exhibit 3 to Exhibit A hereto.

14 (oo) “Taxes” means all taxes on the income of the Settlement Fund
15 and expenses and costs incurred in connection with the taxation of the Settlement
16 Fund (including, without limitation, interest, penalties and the expenses of tax
17 attorneys and accountants).

18 (pp) “Unknown Claims” means any and all Released Claims, which
19 the Lead Plaintiff or any Class Member does not know or suspect to exist in his,
20 her or its favor at the time of the release of the Released Defendant Parties, and any
21 Released Defendants’ Claims that any Defendant does not know exist in his, her or
22 its favor at the time of the release of the Released Plaintiff Parties, which if known
23 by them might have affected their decisions with respect to the Settlement. With
24 respect to any and all Released Claims and Released Defendants’ Claims, the
25 Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and
26 the Settling Defendants shall expressly, and each Class Member shall be deemed to
27 have, and by operation of the Judgment shall have, expressly waived and
28 relinquished any and all provisions, rights and benefits conferred by any law of any

1 state or territory of the United States, or principle of common law, which is similar,
2 comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

3 **A general release does not extend to claims which the**
4 **creditor does not know or suspect to exist in his or her**
5 **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.

6 Lead Plaintiff, the Class Members or the Settling Defendants may hereafter
7 discover facts in addition to or different from those which he, she, or it now knows
8 or believes to be true with respect to the subject matter of the Released Claims, but
9 Lead Plaintiff and the Settling Defendants shall expressly, fully, finally and forever
10 settle and release, and each Class Member shall be deemed to have settled and
11 released, and upon the Effective Date and by operation of the Judgment shall have
12 settled and released, fully, finally, and forever, any and all Released Claims,
13 without regard to the subsequent discovery or existence of such different or
14 additional facts. Lead Plaintiff and Settling Defendants acknowledge, and other
15 Class Members by operation of law shall be deemed to have acknowledged, that
16 the inclusion of “Unknown Claims” in the definition of Released Claims and
17 Released Defendants’ Claims was separately bargained for and was a key element
18 of the Settlement.

19
20 **SCOPE AND EFFECT OF SETTLEMENT**

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

25 3. For purposes of this Settlement only, Lead Plaintiff and Settling
26 Defendants agree to certification of the Litigation as a class action, pursuant to
27 Fed. R. Civ. P. 23(a) and 23(b)(3), as defined herein.
28

1 The Settlement Amount together with any interest shall constitute the Settlement
2 Fund.

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

10
11 **USE AND TAX TREATMENT OF SETTLEMENT FUND**

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

17 9. The Net Settlement Fund shall be distributed to Authorized Claimants
18 as provided in ¶¶ 22 through 34 hereof. The Net Settlement Fund shall remain in
19 escrow prior to the Effective Date. All funds held in the Escrow Account shall be
20 deemed to be in the custody of the Court and shall remain subject to the
21 jurisdiction of the Court until such time as the funds shall be distributed or
22 returned, pursuant to ¶ 45 of this Stipulation, and/or further order of the Court.
23 The Escrow Account shall be invested in instruments backed by the full faith and
24 credit of the United States Government, or fully insured by the United States
25 Government or an agency thereof, and the proceeds of these instruments shall be
26 reinvested as they mature in similar instruments at the then-current market rates,
27 provided however, that any residual cash balances and cash pending investment in
28 United States Treasury Bills, may be invested and reinvested in a money market

1 mutual fund comprised exclusively of investments secured by the full faith and
2 credit of the United States. The Released Defendant Parties and Settling
3 Defendants' Counsel shall have no responsibility for, interest in, or liability
4 whatsoever with respect to investment decisions or the actions of the Escrow
5 Agent, or any transaction executed by the Escrow Agent.

6 10. After the Settlement Amount has been paid into the Escrow Account
7 in accordance with ¶ 6 above, the Settling Parties agree to treat the Settlement
8 Amount, as a "qualified settlement fund" within the meaning of Treas. Reg. §
9 1.468B-1. In addition, Lead Counsel shall timely make, or cause to be made, such
10 elections as necessary or advisable to carry out the provisions of this paragraph,
11 including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back
12 to the earliest permitted date. Such election shall be made in compliance with the
13 procedures and requirements contained in such regulations. It shall be the
14 responsibility of Lead Counsel to timely and properly prepare and deliver, or cause
15 to be prepared and delivered, the necessary documentation for signature by all
16 necessary parties, and thereafter take all such actions as may be necessary or
17 appropriate to cause the 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 Lead 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 Settling Defendants’
6 Counsel shall have no liability or responsibility whatsoever for the Taxes or the
7 filing of any tax returns or other documents with the Internal Revenue Service or
8 any other state or local taxing authority. In the event any Taxes are owed by any
9 of the Released Defendant Parties on any interest earned on the funds on deposit in
10 the Escrow Account, such amounts shall also be paid out of the Escrow Account.
11 Any taxes or tax expenses owed on any interest earned on the Settlement Amount
12 prior to its transfer to the Escrow Account shall be the sole responsibility of
13 Broadcom.

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

23 11. This is not a claims-made settlement. As of the Effective Date,
24 Settling Defendants shall not have any right to the return of the Settlement Fund or
25 any portion thereof for any reason.
26
27
28

ATTORNEYS' FEES AND EXPENSES

1
2 12. Lead Counsel, on behalf of all plaintiffs' counsel in the Litigation,
3 will apply to the Court for an award from the Settlement Fund of (i) attorneys' fees
4 and (ii) reimbursement of litigation expenses incurred in prosecuting the Litigation,
5 plus any interest on such amounts at the same rate and for the same periods as
6 earned by the Settlement Fund ("Fee and Expense Application"). Settling
7 Defendants will not oppose the Fee and Expense Application. The timing set forth
8 below in ¶ 13 for payment of any attorneys' fees and expenses is a material term of
9 the Settlement and was separately bargained for by the Settling Parties.

10 13. As part of the Fee and Expenses Application, Lead Counsel will
11 request that 50% of any attorneys' fees and expenses awarded by the Court shall be
12 paid from the Settlement Fund to Lead Counsel immediately upon execution of the
13 Judgment, notwithstanding the existence of any timely filed objections to the order
14 awarding such attorneys' fees and expenses or the Judgment, or potential for
15 appeal therefrom, or collateral attack on the Settlement or any part thereof. Lead
16 Counsel will also request that (i) 25% of any attorneys' fees and expenses awarded
17 by the Court shall be paid from the Settlement Fund to Lead Counsel the day after
18 the deadline stated in the Notice for all claims to be filed with the Claims
19 Administrator; and (ii) the remaining 25% of any attorneys' fees and expenses
20 awarded by the Court shall be paid from the Settlement Fund the day after the
21 motion for the Distribution Order is filed.

22 14. Lead Counsel shall determine and distribute the attorneys' fees among
23 plaintiffs' counsel in a manner in which they believe reflects the contributions of
24 such counsel to the prosecution and settlement of the Litigation with Settling
25 Defendants and the benefits conferred on the Settlement Class.

26 15. In the event that the Judgment or the order making any attorneys' fee
27 and expense award is reversed or modified on appeal, and in the event that any
28 attorneys' fee and expense award has been paid to any extent, then Lead Counsel

1 shall, within twenty-one (21) calendar days from entry of any such reversal or
2 modification, refund to the Escrow Account the fees, expenses, costs, and interest
3 paid to any plaintiffs' counsel from the Escrow Account, including accrued interest
4 on any such amount at the average rate earned on the Escrow Account from the
5 time of withdrawal until the date of refund. Further, Lead Counsel and each
6 plaintiffs' counsel's law firm that receives any portion of such fee and expense
7 award, on behalf of themselves and each of their partners and/or shareholders,
8 agree that each law firm and each of its partners and/or shareholders are subject to
9 the jurisdiction of the Court for the purpose of enforcing the provisions of this
10 ¶ 15, and agree without limitation that the Court may, upon application and notice,
11 summarily issue orders against them or any of them should Lead Counsel or
12 plaintiffs' counsel fail to timely repay fees, expenses, costs and interest earned
13 thereon pursuant to this ¶ 15.

14 16. Lead Plaintiff and Lead Counsel may not cancel or terminate the
15 Stipulation or the Settlement in accordance with ¶ 40 or otherwise based on this
16 Court's or any appellate court's ruling with respect to the Fee and Expense
17 Application or other fee and expense award in the Litigation. With the sole
18 exception of making payment into the Escrow Account as provided for in ¶ 6, the
19 Released Defendant Parties shall have no responsibility for, and no liability
20 whatsoever with respect to, any payment to Lead Counsel or any plaintiff's counsel
21 that may occur at any time.

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

26 18. The Released Defendant Parties shall have no responsibility for, and
27 no liability whatsoever with respect to, any attorneys' fees, costs, or expenses
28

1 incurred by or on behalf of the Class Members, whether or not paid from the
2 Escrow Account.

3 19. The procedure for and the allowance or disallowance by the Court of
4 any Fee and Expense Application are not part of the Settlement set forth in this
5 Stipulation, and are separate from the Court's consideration of the fairness,
6 reasonableness and adequacy of the Settlement set forth in the Stipulation, and any
7 order or proceeding relating to any fee and expense application, or any appeal from
8 any order relating thereto or reversal or modification thereof, shall not operate to
9 terminate or cancel the Stipulation, or affect or delay the finality of the Judgment
10 approving the Stipulation and the Settlement set forth herein, including, but not
11 limited to, the release, discharge, and relinquishment of the Released Claims
12 against the Released Defendant Parties, or any other orders entered pursuant to the
13 Stipulation.

14
15 **ADMINISTRATION EXPENSES**

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

20 21. Prior to the Effective Date and without further order of the Court,
21 Lead Counsel may expend up to \$1,000,000.00 from the Settlement Fund to pay
22 the Notice and Administration Expenses actually incurred. Such costs and
23 expenses shall include, without limitation, the actual costs of publication, printing
24 and mailing the Notice, reimbursements to nominee owners for forwarding the
25 Notice to their beneficial owners, the administrative expenses incurred and fees
26 charged by the Claims Administrator in connection with providing Notice and
27 processing the submitted claims, and the fees, if any, related to the Escrow
28 Account and the investment of the Settlement Fund.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

1
2 22. Lead Counsel will apply to the Court for a Distribution Order, on
3 notice to Settling Defendants’ Counsel, approving the Claims Administrator’s
4 administrative determinations concerning the acceptance and rejection of the
5 claims submitted herein and approving any fees and expenses not previously paid,
6 including the fees and expenses of the Claims Administrator, and, if the Effective
7 Date has occurred, directing the payment of the Net Settlement Fund to Authorized
8 Claimants.

9 23. The Claims Administrator shall administer the Settlement under Lead
10 Counsel’s supervision and subject to the jurisdiction of the Court. Except as stated
11 in ¶¶ 21, 27, and 45 hereof, the Released Defendant Parties and Settling
12 Defendants’ Counsel shall have no responsibility for, interest in, or liability
13 whatsoever with respect the administration of the Settlement or the actions or
14 decisions of the Claims Administrator, and shall have no liability to the Settlement
15 Class in connection with such administration.

16 24. The Claims Administrator shall determine each Authorized
17 Claimant’s *pro rata* share of the Net Settlement Fund based upon each Authorized
18 Claimant’s Recognized Loss, as defined in the Plan of Allocation of Net
19 Settlement Fund (the “Plan of Allocation”) included in the Notice, or in such other
20 plan of allocation as the Court may approve.

21 25. Settling Defendants will take no position with respect to the Plan of
22 Allocation. The Plan of Allocation is a matter separate and apart from the
23 proposed Settlement between Lead Plaintiff and Settling Defendants, and any
24 decision by the Court concerning the Plan of Allocation shall not affect the validity
25 or finality of the proposed Settlement. The Plan of Allocation is not a necessary
26 term of this Stipulation and it is not a condition of this Stipulation that any
27 particular plan of allocation be approved by the Court. Lead Plaintiff and Lead
28 Counsel may not cancel or terminate the Stipulation or the Settlement in

1 accordance with ¶ 40 or otherwise based on the Court's or any appellate court's
2 ruling with respect to the Plan of Allocation or any plan of allocation in the
3 Litigation. The Released Defendant Parties and Settling Defendants' Counsel shall
4 have no responsibility or liability for reviewing or challenging claims, the
5 allocation of the Net Settlement Fund, or the distribution of the Net Settlement
6 Fund.

7
8 **ADMINISTRATION OF THE SETTLEMENT**

9 26. Any member of the Settlement Class who fails to timely submit a
10 valid Proof of Claim and Release (substantially in the form of Exhibit 2 to Exhibit
11 A hereto) will not be entitled to receive any of the proceeds from the Net
12 Settlement Fund, except as otherwise ordered by the Court, but will otherwise be
13 bound by all of the terms of this Stipulation and the Settlement, including the terms
14 of the Judgment to be entered in the Litigation and the releases provided for herein,
15 and will be barred from bringing any action against the Released Defendant Parties
16 concerning the Released Claims.

17 27. Lead Counsel shall be responsible for supervising the administration
18 of the Settlement and disbursement of the Net Settlement Fund by the Claims
19 Administrator. Broadcom shall provide to Lead Counsel, or the Claims
20 Administrator, all information obtainable by reasonable efforts identifying by
21 name and address the persons and entities who were shareholders during the Class
22 Period, including banks, brokerage firms, institutions and other nominees and
23 record owners, by the date set by the Court for the hearing on whether to
24 preliminarily approve the Settlement. Except for any obligations arising under ¶¶
25 21, 45 and the transfer records, the Released Defendant Parties and Settling
26 Defendants' Counsel shall have no liability, obligation or responsibility for the
27 administration of the Settlement, the allocation of the Net Settlement Fund or
28 reviewing or challenging of claims of members of the Settlement Class. Lead

1 Counsel shall be solely responsible for designating the Claims Administrator,
2 subject to approval by the Court.

3 28. Each claimant shall be deemed to have submitted to the jurisdiction of
4 the Court with respect to the claimant's claim, and the claim will be subject to
5 investigation and discovery under the Federal Rules of Civil Procedure, provided
6 that such investigation and discovery shall be limited to the validity and amount of
7 the claimant's claim, and any such discovery shall not be sought from the
8 Individual Defendants. In connection with processing of the Proofs of Claim, no
9 discovery shall be allowed on the negotiation of the Settlement, or on the merits of
10 the Litigation or of the Settlement.

11 29. Payment pursuant to this Stipulation shall be deemed final and
12 conclusive against all Class Members. All Class Members whose claims are not
13 approved by the Court shall be barred from participating in distributions from the
14 Net Settlement Fund, but otherwise shall be bound by all of the terms of this
15 Stipulation and the Settlement, including the terms of the Judgment to be entered
16 in the Litigation and the releases provided for herein, and will be barred from
17 bringing any action against the Released Defendant Parties concerning the
18 Released Claims.

19 30. All proceedings with respect to the administration, processing and
20 determination of claims described by ¶¶ 22 through 34 of this Stipulation and the
21 determination of all controversies relating thereto, including disputed questions of
22 law and fact with respect to the validity of claims, shall be subject to the
23 jurisdiction of the Court, but shall not in any event delay or affect the finality of the
24 Judgment.

25 31. The Net Settlement Fund shall be distributed to Authorized Claimants
26 by the Claims Administrator only after the Effective Date and after: (i) all timely
27 claims have been processed, and all claimants whose timely claims have been
28 rejected or disallowed, in whole or in part, have been notified and provided the

1 opportunity to be heard concerning such rejection or disallowance; (ii) all
2 objections with respect to all rejected or disallowed claims have been resolved by
3 the Court, and all appeals therefrom have been resolved or the time therefore has
4 expired, unless otherwise ordered by the Court; (iii) all matters with respect to
5 attorneys' fees, costs, and disbursements have been resolved by the Court, all
6 appeals therefrom have been resolved or the time therefore has expired, unless
7 otherwise ordered by the Court; and (iv) all Notice and Administrative Expenses
8 and Taxes have been paid.

9 32. If the funds remaining in the Net Settlement Fund following pro rata
10 distribution(s) to all Authorized Claimants are of an amount that is not cost
11 effective or efficient to redistribute to the Settlement Class, then such remaining
12 funds, after payment of any further Notice and Administration Expenses and
13 Taxes, shall, without the need for a further court order, be contributed to an
14 appropriate not-for-profit organization(s) designated by the Lead Plaintiff and Lead
15 Counsel.

16 33. No Person shall have any claim of any kind against the Released
17 Defendant Parties or their counsel with respect to the matters set forth in this
18 Section or any of its subsections.

19 34. No Person shall have any claim against the Lead Plaintiff or its
20 counsel (including Lead Counsel), or any claims administrator, or other agent
21 designated by Lead Counsel, based on the distributions made substantially in
22 accordance with this Stipulation and the Settlement contained herein, the Plan of
23 Allocation, or further order(s) of the Court.

24
25 **TERMS OF THE PRELIMINARY APPROVAL ORDER**

26 35. Concurrently with their application for preliminary Court approval of
27 the Settlement contemplated by this Stipulation and promptly after execution of
28 this Stipulation, Lead Counsel and Settling Defendants' Counsel shall jointly apply

1 to the Court for entry of the Preliminary Approval Order, which shall be
2 substantially in the form annexed hereto as Exhibit A. The Preliminary Approval
3 Order will, *inter alia*, set the date for the Settlement Hearing and prescribe the
4 method for giving notice of the Settlement to the Settlement Class.

5 36. As ordered by the Court, Lead Counsel shall cause the Claims
6 Administrator to mail the Notice and Proof of Claim to members of the Settlement
7 Class at the address of each such Person as set forth in the records of Broadcom or
8 its transfer agent(s), or who otherwise may be identified through further reasonable
9 effort. Lead Counsel shall cause the Claims Administrator to publish the Summary
10 Notice of the proposed Settlement in *The Wall Street Journal* and transmit it over
11 *Business Wire*, or other wire service, within fourteen (14) calendar days of the
12 mailing of the Notice, or according to whatever other form or manner might be
13 ordered by the Court.

14 15 **TERMS OF THE JUDGMENT**

16 37. If the Settlement contemplated by this Stipulation is approved by the
17 Court, Lead Counsel and Settling Defendants' Counsel shall jointly request that the
18 Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

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

1 **EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION**

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

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

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

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

14 40. Settling Defendants and Lead Plaintiff shall have the right to
15 terminate the Settlement and this Stipulation by providing written notice of their
16 election to do so (“Termination Notice”), through counsel, to all other Settling
17 Parties hereto within thirty (30) calendar days of: (a) the Court’s final refusal to
18 enter the Preliminary Approval Order in any material respect; (b) the Court’s final
19 refusal to approve this Stipulation or any material part of it; (c) the Court’s final
20 refusal to enter the Judgment in any material respect; (d) the date upon which the
21 Judgment is modified or reversed in any material respect by the United States
22 Court of Appeals or the Supreme Court of the United States; or (e) in the event that
23 the Court enters an Alternative Judgment and none of the Settling Parties hereto
24 elects to terminate this Settlement, the date upon which such Alternative Judgment
25 is modified or reversed in any material respect by the Court of Appeals or the
26 Supreme Court of the United States.

27 41. Simultaneously herewith, Settling Defendants’ Counsel and Lead
28 Counsel are executing a Supplemental Agreement Regarding Settlement

1 (“Supplemental Agreement”). The Supplemental Agreement sets forth certain
2 conditions under which Broadcom shall have the option (which option shall be
3 exercised unilaterally by Broadcom) to terminate the Settlement and render this
4 Stipulation null and void in the event that requests for exclusion from the
5 Settlement Class exceed certain agreed-upon criteria (the “Opt-Out Threshold”).
6 The Settling Parties agree to maintain the confidentiality of the Opt-Out Threshold
7 in the Supplemental Agreement, which shall not be filed with the Court unless a
8 dispute arises as to its terms, or as otherwise ordered by the Court. If submission
9 of the Supplemental Agreement is required for resolution of a dispute or is
10 otherwise ordered by the Court, the Settling Parties will undertake to have the Opt-
11 Out Threshold submitted to the Court *in camera*. Except for the Opt-Out
12 Threshold, all material terms of the Supplemental Agreement are repeated herein:

13 (a) It is expressly understood and agreed by the Settling Parties that
14 the only Persons who may submit requests for exclusion are those Persons who are
15 members of the Settlement Class preliminarily certified by the Court: all persons
16 and entities that purchased or otherwise acquired the Class A common stock of
17 Broadcom during the period from July 21, 2005 through July 13, 2006, inclusive,
18 and were allegedly damaged thereby. Excluded from the Settlement Class are: the
19 current or former defendants in the Litigation; the officers and directors of the
20 Company; the members of the immediate families of the current or former
21 individual defendants in the Litigation; the legal representatives, heirs, successors
22 or assigns of any excluded Person; any entity in which any current or former
23 defendant has or had a controlling interest; and shares of Broadcom Class A
24 common stock purchased by any Broadcom employee who acquired the shares
25 through the exercise of incentive stock options from July 21, 2005 through July 13,
26 2006, inclusive;

27
28

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

4 (c) The Settling Parties shall request that the Preliminary Approval
5 Order provide that requests for exclusion must be postmarked at least seventeen
6 (17) calendar days prior to the Settlement Hearing date. Lead Counsel shall
7 provide counsel for Broadcom with copies of any requests for exclusion, and any
8 written revocations of requests for exclusion, as expeditiously as possible, and, in
9 any event, counsel for Broadcom shall receive within three (3) calendar days of the
10 expiration of the request for exclusion deadline but no later than ten (10) calendar
11 days before the Settlement Hearing copies of requests for exclusion of any
12 Settlement Class members who will be identified on Exhibit A to the Judgment as
13 validly and timely requesting exclusion;

14 (d) Broadcom unilaterally shall be entitled to exercise the option to
15 terminate set forth in this paragraph and the Supplemental Agreement only if
16 Broadcom's counsel provides Lead Counsel and Settling Defendants' Counsel with
17 written notice of Broadcom's election to terminate on or before five (5) calendar
18 days prior to the Settlement Hearing;

19 (e) In the event that Broadcom provides a written notice of
20 termination of the Settlement pursuant to subparagraph (d) above and the
21 Supplemental Agreement, Broadcom may withdraw the termination by providing
22 written notice of such withdrawal of the termination to Lead Counsel and Settling
23 Defendants' Counsel no later than 5:00 P.M. Eastern Time on the first business day
24 prior to the Settlement Hearing, or by such later date as shall be agreed upon in
25 writing as between Lead Counsel and Settling Defendants' Counsel;

26 (f) If Broadcom elects to terminate the Settlement pursuant to this
27 paragraph and the Supplemental Agreement, Lead Counsel may upon receipt of
28 such notice of termination, review the validity of any request for exclusion and

1 may attempt to cause retraction of any request for exclusion. If Lead Counsel
2 succeeds in causing the filing of retractions of a sufficient number of requests for
3 exclusion such that the number of shares represented by the remaining timely and
4 valid requests for exclusion does not constitute grounds for termination as
5 specified in this paragraph and the Supplemental Agreement, then any termination
6 of the Settlement shall automatically be deemed to be a nullity. To retract a prior
7 request for exclusion, a member of the Settlement Class must provide to the
8 Settling Parties' counsel, at least two (2) calendar days prior to the Settlement
9 Hearing, or any adjournment thereof, a written notice stating his, her or its desire to
10 retract his, her or its request for exclusion from the Settlement Class; provided,
11 however, that the provision of such written notice may be effected by Lead
12 Counsel;

13 (g) If Broadcom elects to terminate the Settlement in accordance
14 with this paragraph and the Supplemental Agreement and such termination is not
15 nullified in accordance with subparagraphs (e) or (f) above and the Supplemental
16 Agreement, the Settlement shall be terminated and the provisions of ¶¶ 44 through
17 46 of the Stipulation shall apply; and

18 (h) In the event of a termination of this Settlement pursuant to the
19 Supplemental Agreement, this Stipulation shall become null and void and of no
20 further force and effect, with the exception of the provisions of ¶ 47 which shall
21 continue to apply.

22 42. In addition to all of the rights and remedies that the Lead Plaintiff and
23 Lead Counsel have under the terms of this Stipulation, they shall also have the
24 right to terminate the Settlement in the event that Broadcom does not pay, or cause
25 to be paid, the Settlement Amount as provided in ¶ 6 above, by providing written
26 notice of their election to terminate to all other Settling Parties to this Stipulation
27 and, thereafter, Settling Defendants fail to pay the Settlement Amount within
28

1 fourteen (14) calendar days of the date the Settling Defendants receive the written
2 notice.

3 43. If an option to withdraw from and terminate this Stipulation and
4 Settlement arises under any of ¶¶ 40 through 42 above, (i) neither Settling
5 Defendants nor Lead Plaintiff will be required for any reason or under any
6 circumstance to exercise that option; and (ii) any exercise of that option shall be
7 made in good faith, but in the sole and unfettered discretion of Settling Defendants
8 or Lead Plaintiff, as applicable.

9 44. Except as otherwise provided herein, in the event the Settlement is
10 terminated or fails to become effective for any reason, then: the Settlement shall be
11 without prejudice, and none of its terms shall be effective or enforceable except as
12 specifically provided herein, including but not limited to the certification of the
13 Settlement Class; the Settling Parties to this Stipulation shall be deemed to have
14 reverted to their respective litigation positions in the Litigation immediately prior
15 to the execution of the Agreement in Principle on December 22, 2009; and, except
16 as otherwise expressly provided, the Settling Parties in the Litigation shall proceed
17 in all respects as if this Stipulation and any related orders had not been entered. In
18 such event, the fact and terms of the Agreement in Principle or this Stipulation, or
19 any aspect of the negotiations leading to this Stipulation, shall not be admissible in
20 any trial of this Litigation.

21 45. If the Settlement fails to become effective as defined herein or is
22 terminated pursuant to the provisions of ¶¶ 40 through 42 above, any portion of the
23 Settlement Amount previously paid by or on behalf of Settling Defendants,
24 together with any interest earned thereon, less any Taxes paid or due, less Notice
25 and Administration Expenses actually incurred and paid or payable from the
26 Settlement Amount shall be returned to the Person that made the payment or
27 caused the payment to be made within fifteen (15) calendar days after written
28 notification of such event. At the request of Settling Defendants' Counsel, the

1 Escrow Agent or its designee shall apply for any tax refund owed on the amounts
2 in the Escrow Account and pay the proceeds, after any deduction of any fees or
3 expenses incurred in connection with such application(s), for refund to the Person
4 that made the settlement payment or caused the settlement payment to be made.

5 46. In the event the Settlement is terminated or fails to become effective
6 for any reason, the Settling Parties shall, within fourteen (14) calendar days of such
7 cancellation, jointly request a status conference with the Special Master to be held
8 on the Special Master's first available date. At such status conference, the Settling
9 Parties shall ask the Special Master's assistance in scheduling continued
10 proceedings in the Litigation between the Settling Parties. Pending such status
11 conference or the expiration of forty-five (45) calendar days from the Settling
12 Parties' joint request for a status conference, whichever occurs first, none of the
13 Parties shall file or serve any further motions or discovery on any of the other
14 Parties in connection with the Litigation, nor shall any response be due by any
15 Party to any outstanding pleading or motion or discovery by any other Party.

16
17 **NO ADMISSION OF WRONGDOING**

18 47. Except as set forth in ¶ 48 below, this Stipulation, whether or not
19 consummated, and any negotiations, proceedings or agreements relating to the
20 Stipulation, the Settlement, and any matters arising in connection with settlement
21 negotiations, proceedings, or agreements, shall not be offered or received against
22 the Settling Defendants for any purpose, and in particular:

23 (a) do not constitute, and shall not be offered or received against
24 the Settling Defendants or any of them as evidence of, or construed as, or deemed
25 to be evidence of any presumption, concession or admission by any of the Settling
26 Defendants with respect to the truth of any fact alleged by Lead Plaintiff and the
27 Settlement Class or the validity of any claim that has been or could have been
28 asserted in the Litigation or in any litigation, including but not limited to the

1 Released Claims, or of any liability, damages, negligence, fault or wrongdoing of
2 the Settling Defendants;

3 (b) do not constitute, and shall not be offered or received against
4 the Settling Defendants as evidence of a presumption, concession or admission of
5 any fault, misrepresentation or omission with respect to any statement or written
6 document approved or made by any Settling Defendant, or against Lead Plaintiff or
7 any other members of the Settlement Class as evidence of any infirmity in the
8 claims of Lead Plaintiff or the other members of the Settlement Class;

9 (c) do not constitute, and shall not be offered or received against
10 the Settling Defendants or against Lead Plaintiff or any other members of the
11 Settlement Class, as evidence of a presumption, concession or admission with
12 respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in
13 any way referred to for any other reason as against any of the Settling Parties to
14 this Stipulation, in any other civil, criminal or administrative action or proceeding,
15 other than such proceedings as may be necessary to effectuate the provisions of
16 this Stipulation;

17 (d) do not constitute, and shall not be construed against Settling
18 Defendants, Lead Plaintiff or any other members of the Settlement Class, as an
19 admission or concession that the consideration to be given hereunder represents the
20 amount which could be or would have been recovered after trial;

21 (e) do not constitute, and shall not be construed as or received in
22 evidence as an admission, concession or presumption against the Individual
23 Defendants that they, or any of them, (i) participated in the negotiations leading to
24 the Settlement Amount, (ii) acquiesced in and/or approved of the Settlement
25 Amount, or (iii) have waived their right to argue that the Settlement Amount is
26 greater than warranted under the circumstances; and

27 (f) do not constitute, and shall not be construed as or received in
28 evidence as, an admission, concession or presumption against Lead Plaintiff or any

1 other members of the Settlement 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 48. Settling Defendants may file this Stipulation and/or the Judgment in
5 any action that may be brought against them in order to support a defense or
6 counterclaim based on principles of res judicata, collateral estoppel, release, good-
7 faith settlement, judgment bar or reduction, or any theory of claim preclusion or
8 issue preclusion or similar defense or counterclaim, or to effectuate the liability
9 protection granted them under any applicable insurance policies. Any Party may
10 file this Stipulation and/or the Judgment in any action that may be brought to
11 enforce the terms of this Stipulation and/or the Judgment. All Settling Parties
12 submit to the jurisdiction of the Court for purposes of implementing and enforcing
13 the Settlement.

14
15 **MISCELLANEOUS PROVISIONS**

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

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

1 in good faith by Broadcom and Lead Plaintiff, and their respective counsel, and
2 reflect a settlement that was reached voluntarily based upon adequate information
3 and after consultation with experienced legal counsel, and under the supervision of
4 the mediators.

5 51. This Stipulation may not be modified or amended, nor may any of its
6 provisions be waived, except by a writing signed by all Settling Parties hereto or
7 their successors.

8 52. The headings herein are used for the purpose of convenience only and
9 are not meant to have legal effect.

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

15 54. Unless ordered by a Court, no Settling Party or counsel shall
16 disseminate, refer to, or otherwise distribute to any third party any information
17 regarding the negotiation of the Settlement between the Settling Parties, or any
18 information or documents they obtained from another Settling Party in connection
19 with the Settlement, except as necessary in connection with this Stipulation or
20 Court approval of the Settlement.

21 55. The waiver by one party of any breach of this Stipulation by any other
22 party shall not be deemed a waiver of any other prior or subsequent breach of this
23 Stipulation.

24 56. This Stipulation, its exhibits and the Supplemental Agreement
25 constitute the entire agreement among the Settling Parties hereto concerning the
26 Settlement of the Litigation as against Settling Defendants, and no representations,
27 warranties, or inducements have been made by any party hereto concerning this
28

1 Stipulation and its exhibits other than those contained and memorialized in such
2 documents.

3 57. All agreements made and orders entered during the course of the
4 Litigation relating to the confidentiality of information shall survive the
5 Stipulation.

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

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

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

19 61. This Stipulation shall be binding when signed, but the Settlement shall
20 be effective only on the condition that the Effective Date occurs.

21 62. This Stipulation shall be binding upon, and inure to the benefit of, the
22 successors and assigns of the Settling Parties hereto.

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

27 64. This Stipulation shall not be construed more strictly against one Party
28 than another merely by virtue of the fact that it, or any part of it, may have been

1 prepared by counsel for one of the Settling Parties, it being recognized that it is the
2 result of arm's-length negotiations among the Settling Parties, and all Settling
3 Parties have contributed substantially and materially to the preparation of this
4 Stipulation.

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

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

16 67. Lead Counsel and Settling Defendants' Counsel agree to cooperate
17 fully with one another in seeking Court approval of the Preliminary Approval
18 Order, the Stipulation and the Settlement, and to promptly agree upon and execute
19 all such other documentation as reasonably may be required to obtain final
20 approval by the Court of the Settlement.

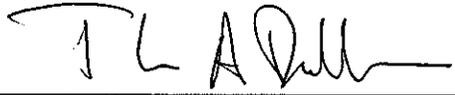
21 68. Except as otherwise provided herein, each party shall bear its own
22 costs.

23
24 **IN WITNESS WHEREOF**, the Settling Parties hereto have caused this
25 Stipulation to be executed, by their duly authorized attorneys, as of April 30, 2010.
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Dated: April 30, 2010

LABATON SUCHAROW LLP

By: 
Thomas A. Dubbs
Joseph A. Fonti
Stephen W. Tountas
140 Broadway
New York, NY 10005
Tel: 212.907.0871

*Counsel for Lead Plaintiff New Mexico
State Investment Council*

Dated: April 30, 2010

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By: _____
David Siegel
Daniel P. Lefler
Garland A. Kelley
Glenn K. Vanzura
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Tel: 310.277.1010

*Counsel for Defendant Broadcom
Corporation*

Dated: April 30, 2010

**SKADDEN, ARPS, SLATE, MEAGHER
AND FLOM LLP**

By: _____
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*Counsel for Defendant
William J. Ruehle*

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*Counsel for Lead Plaintiff New Mexico
State Investment Council*

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*Counsel for Defendant Broadcom
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Dated: April 30, 2010

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1 Dated: April 30, 2010

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8 *Counsel for Lead Plaintiff New Mexico
State Investment Council*

9
10 Dated: April 30, 2010

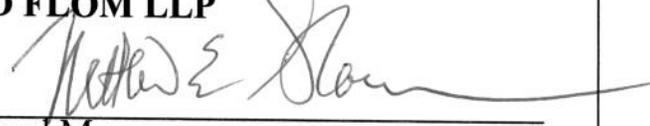
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16 *Counsel for Defendant Broadcom
Corporation*

17
18 Dated: April 30, 2010

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24 *Counsel for Defendant
William J. Ruehle*

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Dated: April 30, 2010

McDERMOTT, WILL & EMERY

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Los Angeles, CA 90067
Tel: 310.277.4110

*Counsel for Defendant
Henry Samueli*

Dated: April 30, 2010

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By: _____
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*Counsel for Defendants
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Dated: April 30, 2010

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David A. Dull*

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Alan E. Ross and Werner F. Wolfen*

Dated: April 30, 2010

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David A. Dull*

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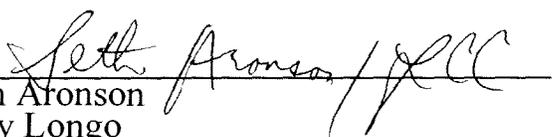
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Dated: April 30, 2010

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Exhibit A

1 JOSEPH J. TABACCO, JR. #75484
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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 Lead Plaintiff New Mexico
State Investment Council and the Class*

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10 **LABATON SUCHAROW LLP**
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12 Telephone: (212) 907-0700
Facsimile: (212) 818-0477

13 *Lead Counsel for Lead Plaintiff 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 BROADCOM DEFENDANTS**

EXHIBIT A

Honorable Manuel L. Real

25 WHEREAS, as of April 30, 2010, certain parties to the above-captioned
26 action (the "Litigation") entered into a Stipulation and Agreement of Settlement
27 With Broadcom Defendants (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”); and the Court
4 having read and considered the Stipulation and the accompanying exhibits; and the
5 parties to the Stipulation having consented to the entry of this Order; and all
6 capitalized terms used herein having the meanings defined in the Stipulation;

7 NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of
8 _____, 2010 that:

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

12 2. The Court hereby preliminarily certifies the following class for the
13 purposes of settlement only (the “Settlement Class”), pursuant to Rule 23(a) and
14 Rule 23(b)(3) of the Federal Rules of Civil Procedure: all persons and entities that
15 purchased or otherwise acquired the Class A common stock of Broadcom during
16 the period from July 21, 2005 through July 13, 2006, inclusive, and were allegedly
17 damaged thereby. Excluded from the Settlement Class are: the current or former
18 defendants in the Litigation; the officers and directors of the Company; the
19 members of the immediate families of the current or former individual defendants
20 in the Litigation; the legal representatives, heirs, successors or assigns of any
21 excluded Person; any entity in which any current or former defendant has or had a
22 controlling interest; shares of Broadcom Class A common stock purchased by any
23 Broadcom employee who acquired the shares through the exercise of incentive
24 stock options from July 21, 2005 through July 13, 2006, inclusive; and any Person
25 who timely and validly seeks exclusion from the Settlement Class.

26 3. The Court finds and concludes that the prerequisites of class action
27 certification under Fed. R. Civ. P. 23(a) and 23(b)(3) have been satisfied for the
28 Settlement Class defined herein and for the purposes of settlement only, in that:

1 (a) the members of the Settlement Class are so numerous that
2 joinder of all Class Members is impracticable;

3 (b) there are questions of law and fact common to the Class
4 Members;

5 (c) the claims of New Mexico State Investment Council (“Lead
6 Plaintiff”) are typical of the Settlement Class’s claims;

7 (d) Lead Plaintiff and its counsel have fairly and adequately
8 represented and protected the interests of the Settlement Class;

9 (e) the questions of law and fact common to the Class Members
10 predominate over any individual questions; and

11 (f) a class action is superior to other available methods for the fair
12 and efficient adjudication of the controversy, considering that the claims of Class
13 Members in the Litigation are substantially similar and would, if tried, involve
14 substantially identical proofs and may therefore be efficiently litigated and
15 resolved on an aggregate basis as a class action; the amounts of the claims of
16 many of the Class Members are too small to justify the expense of individual
17 actions; and it does not appear that there is any intent among Class Members in
18 individually controlling the litigation of their claims.

19 4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for
20 the purposes of the Settlement only, Lead Plaintiff New Mexico State Investment
21 Council is preliminarily certified as Class Representative. The law firm of Labaton
22 Sucharow LLP is preliminarily appointed Class Counsel.

23 5. A hearing (the “Settlement Hearing”) pursuant to Rule 23(e) of the
24 Federal Rules of Civil Procedure is hereby scheduled to be held before the Court
25 on June 21, 2010, at ____:_____.m. for the following purposes:

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

1 (b) to determine whether the Final Order and Judgment as to
2 Broadcom Defendants (“Judgment”) as provided under the Stipulation should be
3 entered, dismissing the Amended Complaint filed herein, on the merits and with
4 prejudice, and to determine whether the release by the Settlement Class of the
5 Released Claims, as set forth in the Stipulation, should be provided to the
6 Released Defendant Parties;

7 (c) to determine whether the Settlement Class should be certified
8 for the purposes of settlement only and the appointment of Lead Plaintiff and
9 Lead Counsel as Class Representative and Class Counsel, respectively;

10 (d) to determine whether the proposed Plan of Allocation for the
11 proceeds of the Settlement is reasonable and should be approved by the Court;

12 (e) to consider Lead Counsel’s application for an award of
13 attorneys’ fees and expenses;

14 (f) to consider Lead Plaintiff’s application, if any, for its
15 reasonable costs and expenses (including lost wages) relating to its representation
16 of the Settlement Class; and

17 (g) to rule upon such other matters as the Court may deem
18 appropriate.

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

26 7. The Court approves the form, substance and requirements of the
27 Notice of Pendency of Class Action and Proposed Settlement With Broadcom
28

1 Defendants (the “Notice”) and the Proof of Claim and Release form (“Proof of
2 Claim”), substantially in the forms annexed hereto as Exhibits 1 and 2 respectively.

3 8. The Court approves the appointment of The Garden City Group as the
4 Claims Administrator. The Claims Administrator shall cause the Notice and the
5 Proof of Claim, substantially in the forms annexed hereto, to be mailed, by first
6 class mail, postage prepaid, on or before _____, 2010 (“Notice Date”),
7 to all Class Members who can be identified with reasonable effort. Defendant
8 Broadcom Corporation (“Broadcom”), to the extent it has not already done so,
9 shall cause its transfer records and shareholder information to be made available to
10 the Claims Administrator within seven (7) calendar days from the date of this order
11 for the purpose of identifying and giving notice to the Settlement Class. The
12 Claims Administrator shall use reasonable efforts to give notice to nominee
13 purchasers such as brokerage firms and other persons or entities who purchased or
14 otherwise acquired Broadcom Class A common stock during the period from July
15 21, 2005 through July 13, 2006, inclusive, (the “Class Period”) as record owners
16 but not as beneficial owners. Such nominee purchasers are directed, within seven
17 (7) calendar days of their receipt of the Notice, to either send copies of the Notice
18 and Proof of Claim to their beneficial owners by first class mail, or to provide the
19 Claims Administrator with lists of the names and addresses of the beneficial
20 owners, and the Claims Administrator is ordered to send the Notice and Proof of
21 Claim promptly to such identified beneficial owners by first class mail. Nominee
22 purchasers who elect to send the Notice and Proof of Claim to their beneficial
23 owners shall also send a statement to the Claims Administrator confirming that the
24 mailing was made as directed. Additional copies of the Notice shall be made
25 available to any record holder requesting such for the purpose of distribution to
26 beneficial owners, and such record holders shall be reimbursed from the Settlement
27 Fund, after receipt by the Claims Administrator of proper documentation, for their
28 reasonable expenses incurred in sending the Notices and Proofs of Claim to

1 beneficial owners. Lead Counsel shall, at or before the Settlement Hearing, file
2 with the Court proof of mailing of the Notice and Proof of Claim.

3 9. The Court approves the form of the Summary Notice of Pendency of
4 Class Action and Proposed Settlement With Broadcom Defendants (“Summary
5 Notice”) substantially in the form annexed hereto as Exhibit 3 and directs that Lead
6 Counsel shall cause the Summary Notice to be published in *The Wall Street*
7 *Journal* and transmitted over *Business Wire* within fourteen (14) calendar days of
8 the Notice Date. Lead Counsel shall, at or before the Settlement Hearing, file with
9 the Court proof of publication of the Summary Notice.

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

18 11. In order to be entitled to receive a distribution from the net monetary
19 recovery pursuant to the Settlement (the “Net Settlement Fund”), in the event the
20 Settlement is effected in accordance with the terms and conditions set forth in the
21 Stipulation, each Class Member shall take the following actions and be subject to
22 the following conditions:

23 (a) A properly executed Proof of Claim, substantially in the form
24 attached hereto as Exhibit 2, must be submitted to the Claims Administrator, at
25 the address indicated in the Notice, postmarked not later than seventy (70)
26 calendar days after the Notice Date. Such deadline may be further extended by
27 Court Order. Each Proof of Claim shall be deemed to have been submitted when
28 postmarked (if properly addressed and mailed by first class mail, postage prepaid)

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

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

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

26 (d) Each Proof of Claim shall be submitted to and reviewed by the
27 Claims Administrator, under the supervision of Lead Counsel, who shall
28

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

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

22 12. Class Members shall be bound by all orders, determinations and
23 judgments in this Litigation, whether favorable or unfavorable, unless such persons
24 request exclusion from the Settlement Class in a timely and proper manner, as
25 hereinafter provided. A Class Member wishing to make such an exclusion request
26 shall mail the request in written form by first class mail postmarked no later than
27 June 4, 2010, seventeen (17) calendar days prior to the date set herein for the
28 Settlement Hearing, to the address designated in the Notice for such exclusions.

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

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

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

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

22 and copies of all such papers are delivered or sent by first class mail (with a
23 corresponding postmark), on or before June 4, 2010, seventeen (17) calendar days
24 prior to the date set herein for the Settlement Hearing, upon each of the following:

25 ***On behalf of Lead Plaintiff and the Settlement Class:***

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

On behalf of the Settling Defendants:

1 IRELL & MANELLA LLP
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2 1800 Avenue of the Stars
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3 Los Angeles, CA 90067-4276

SKADDEN, ARPS, SLATE,
MEAGHER AND FLOM LLP
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4 Counsel for Defendant Broadcom
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7 34th Floor
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8 Counsel for Defendant Henry Samuelli

Counsel for Defendants Alan E.
Ross and Werner F. Wolfen

9 O'MELVENY & MYERS LLP
10 Seth Aronson
400 South Hope Street
11 Los Angeles, CA 90071

12 Counsel for Defendant David A. Dull

13
14 Attendance at the hearing is not necessary; however, persons wishing to be heard
15 orally in opposition to the approval of the Settlement, the Plan of Allocation,
16 and/or the requests for attorneys' fees and other expenses are required to indicate
17 in their written objection their intention to appear at the hearing. Persons who
18 intend to object to the Settlement, the Plan of Allocation, and/or the requests for an
19 award of attorneys' fees and other expenses and desire to present evidence at the
20 Settlement Hearing must include in their written objections the identity of any
21 witnesses they may call to testify and exhibits they intend to introduce into
22 evidence at the Settlement Hearing. Class Members do not need to appear at the
23 hearing or take any other action to indicate their approval.

24 15. Any Class Member who does not make his, her or its objection in the
25 manner provided shall be deemed to have waived such objection and shall forever
26 be foreclosed from making any objection to the fairness, reasonableness or
27 adequacy of the Settlement, to the Plan of Allocation, and/or the requests for an
28 award of attorneys' fees and other expenses, unless otherwise ordered by the

1 Court, but shall otherwise be bound by the judgment to be entered and the releases
2 to be given.

3 16. Pending final determination of whether the Settlement should be
4 approved, Lead Plaintiff, all Class Members, and each of them, and anyone who
5 acts or purports to act on their behalf, shall not institute, commence or prosecute
6 any action which asserts Released Claims against the Released Defendant Parties.

7 17. As provided in the Stipulation, Lead Counsel may pay the Claims
8 Administrator a portion of the reasonable fees and costs associated with giving
9 notice to the Settlement Class and the review of claims and administration of the
10 Settlement out of the Settlement Fund, including paying taxes, without further
11 order of the Court.

12 18. All papers in support of the Settlement, Plan of Allocation, Lead
13 Counsel's request for an award of attorneys' fees and expenses and Lead Plaintiff's
14 request, if any, for its reasonable costs and expenses (including lost wages) relating
15 to its representation of the Settlement Class shall be filed with the Court and served
16 by overnight mail or hand delivery on or before May 31, 2010, twenty-one (21)
17 calendar days prior to the date set herein for the Settlement Hearing. Any reply
18 papers in further support of the above motions shall be served and filed on or
19 before seven (7) calendar days prior to the Settlement Hearing.

20 19. No person who is not a Class Member, Lead Plaintiffs or Lead
21 Counsel shall have any right to any portion of, or to any distribution of, the Net
22 Settlement Fund unless otherwise ordered by the Court or otherwise provided in
23 the Stipulation.

24 20. All funds held in escrow shall be deemed and considered to be in
25 *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court
26 until such time as such funds shall be distributed pursuant to the Stipulation and/or
27 further order of the Court.

1 21. If any specified condition to the Settlement set forth in the Stipulation
2 is not satisfied and Lead Plaintiff, Lead Counsel or Settling Defendants elect to
3 terminate the Settlement as provided in paragraphs 40 through 42 of the
4 Stipulation, then, in any such event, the Stipulation, including any amendment(s)
5 thereof, except as expressly provided in the Stipulation, and this Preliminary
6 Approval Order shall be null and void, of no further force or effect, and without
7 prejudice to any Settling Party, and may not be introduced as evidence or used in
8 any actions or proceedings by any person or entity against the Settling Parties, and
9 each Settling Party shall be restored to his, her or its respective litigation position
10 as it existed prior to the execution of the Agreement in Principle by the Settling
11 Parties on December 22, 2009.

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

14 Dated: _____, 2010

15
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17 _____
18 Honorable Manuel L. Real
19 UNITED STATES DISTRICT JUDGE
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Exhibit A-1

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 Lead Plaintiff New Mexico
State Investment Council and the Class*

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

13 *Lead Counsel for Lead Plaintiff 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)

} **NOTICE OF PENDENCY OF**
20 **CLASS ACTION AND PROPOSED**
21 **SETTLEMENT WITH**
22 **BROADCOM DEFENDANTS**

} **EXHIBIT A-1**

1 TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR ACQUIRED
 2 THE CLASS A COMMON STOCK OF BROADCOM CORP. DURING
 3 THE PERIOD FROM JULY 21, 2005 THROUGH JULY 13, 2006,
 INCLUSIVE, (THE "CLASS PERIOD"), AND WERE ALLEGEDLY
 DAMAGED THEREBY (THE "SETTLEMENT CLASS").

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

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

- 7 • If approved by the Court,¹ the proposed Settlement will create a
 8 \$160,500,000 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.
- 9 • The Settlement would resolve claims in a class action lawsuit alleging that
 10 Broadcom and certain of its senior officers and directors misled investors
 by orchestrating a fraudulent scheme to inflate Broadcom's stock price by
 11 backdating and failing to properly account for stock option grants between
 April 1998 and May 2003 (the "Litigation"). The Settlement Class is
 12 represented in the Litigation by court-appointed Lead Plaintiff the New
 Mexico State Investment Council ("Lead Plaintiff"). Claims against
 13 defendant Ernst & Young LLP ("Ernst & Young") are not part of the
 Settlement and continue to be litigated on appeal.
- 14 • The Court will review the Settlement at the Settlement Hearing to be held
 15 on _____, 2010 at __:_____.m.
- 16 • **Your legal rights are affected whether you act or do not act. Read
 this notice carefully.**

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

18 SUBMIT A CLAIM FORM BY _____, 2010	The <i>only</i> way to get a payment.
20 EXCLUDE YOURSELF BY _____, 2010	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 21 against the Settling Defendants and the other "Released Defendant Parties" about the "Released 22 Claims." This is the <i>only</i> option that removes you from the Settlement Class, if you are a Class 23 Member.
24 OBJECT BY _____, 2010	Write to the Court about why you do not like the 25 Settlement. This will not exclude you from the Settlement Class.

26 _____
 27 ¹ All capitalized terms not otherwise defined in this document shall have the
 28 meaning provided in the Stipulation and Agreement of Settlement With
 Broadcom Defendants, dated [_____], 2010.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26	<p>GO TO A HEARING ON _____, 2010</p> <p>Ask to speak in Court about the Settlement at the Settlement Hearing.</p>
<p>DO NOTHING</p>	<p>Get no payment. Give up rights.</p>

SUMMARY OF THIS NOTICE

Statement of Plaintiff Recovery

This proposed Settlement will create a Settlement Fund of \$160,500,000 in cash, plus interest as it accrues. Based on the Lead Plaintiff's estimate of the number of shares of common stock that may have been damaged by the alleged fraud, and assuming that all those shares participate in the Settlement, Lead Plaintiff estimates that the average recovery would be approximately \$0.45 per share.² This estimate is before deduction of any court-awarded expenses, such as attorneys' fees and litigation expenses, the Lead Plaintiff's costs and expenses and the cost of sending this Notice and administering the distribution of the Settlement. The amount an eligible Class Member will actually recover will depend on numerous factors. These factors are fully explained in the Plan of Allocation beginning on page [____]. Please refer to the Plan of Allocation for more information on your potential "Recognized Loss" (defined below).

Statement of Potential Outcome if the Claims Continued to Be Litigated

The Settling Parties disagree about whether each of the Settling Defendants is liable for the claims asserted against them and whether each of the Settling Defendants caused any damages. The issues on which the Settling Parties disagree include, for example: (1) whether the Settling Defendants made any false or material misstatements or omissions; (2) whether the Settling Defendants acted with the required state of mind; (3) the amount by which the prices of Broadcom common stock were artificially inflated (if at all) during the Class Period as a result

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 of the alleged fraud; (4) the extent that Broadcom's compensation expenses and
2 stock option granting practices influenced (if at all) the trading price of
3 Broadcom's common stock during the Class Period; (5) whether any purchasers of
4 Broadcom common stock suffered damages as a result of the alleged misstatements
5 and omissions in the Company's public statements; and (6) the amount of such
6 damages, assuming they exist.

7 The Settling Defendants deny that they are liable to the Settlement Class and
8 deny that the Settlement Class has suffered any damages attributable to the Settling
9 Defendants' actions. While Lead Plaintiff believes that it and the Settlement Class
10 have meritorious claims, it recognizes that there are significant obstacles to be
11 overcome before there could be any recovery.

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

13 Lead Plaintiff and Settlement Class are represented by the law firm of
14 Labaton Sucharow LLP ("Lead Counsel"). Lead Counsel has not received any
15 payment for its services in litigating the Litigation, nor has it been reimbursed for
16 its litigation expenses. Lead Counsel intends to make a motion asking the Court to
17 award it attorneys' fees of no more than 20% of the Settlement Fund (including
18 any accrued interest), and reimbursement from the Settlement Fund of expenses
19 incurred during the litigation, in an amount not to exceed \$750,000, plus interest.
20 Pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA"), the
21 Lead Plaintiff may also ask the Court to reimburse it for costs and expenses it
22 incurred in representing the Settlement Class in an amount of no more than
23 \$20,000. If the Court approves the fee and expense applications in full, the
24 average amount of fees and expenses per damaged share of common stock will be
25 approximately \$0.09. This amount will vary depending on the number of eligible
26 claims submitted.

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1 **Further Information**

2 Further information regarding the Settlement and this Notice may be
3 obtained by contacting the Claims Administrator: *In re Broadcom Corp. Class*
4 *Action Litigation*, Claims Administrator, c/o [name], [address], 800-[__],
5 www.[__].com; or Lead Counsel: Labaton Sucharow LLP, 140 Broadway, New
6 York, NY 10005, 800-[__], www.labaton.com. **Please Do Not Call the Court or**
7 **Broadcom With Questions About the Settlement.**

8 **Reasons for the Settlement**

9 For Lead Plaintiff, the principal reason for the Settlement is the immediate
10 benefit of a substantial cash recovery for the Settlement Class. This benefit must
11 be compared to the risk that no recovery or a smaller recovery might be achieved
12 after fact and expert discovery is complete, summary judgment motions are made
13 by the Settling Defendants, a contested trial and likely appeals, possibly years into
14 the future. For the Settling Defendants, who deny all allegations of wrongdoing,
15 the principal reason for the Settlement is to eliminate the burden, expense,
16 uncertainty and risk of further litigation.

17 **[END OF COVER PAGE]**

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BASIC INFORMATION

1
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 July 21, 2005 through July 13,
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 all of the Settlement Class's
12 claims against the Settling Defendants. The Court will review the Settlement at a
13 Settlement Hearing on _____, 2010 at __:___.m. If the Court approves the
14 Settlement, and after any objections and appeals are resolved, the claims
15 administrator appointed by the Court will make the payments that the Settlement
16 allows.

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

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

24 Broadcom is a corporation that provides semiconductors for wired and
25 wireless communications to and throughout the home, office, and mobile
26 environment. It is incorporated in California and its principal place of business
27
28

1 and chief executive office is in Irvine, California. Like other public companies,
2 Broadcom awarded stock options to its employees, executives and directors.

3 On October 12, 2006, New Mexico State Investment Council was appointed
4 Lead Plaintiff for the proposed class by the Court. The defendants in the Litigation
5 are: Broadcom; Henry Samueli, William J. Ruehle, David A. Dull, Alan E. Ross,
6 Werner F. Wolfen (collectively, the “Individual Defendants,” and, with Broadcom,
7 the “Settling Defendants”) and Ernst & Young³ (collectively, with the Settling
8 Defendants, the “Defendants”).

9 The operative complaint in the Litigation is the Consolidated Amended
10 Class Action Complaint (the “Amended Complaint”). The Amended Complaint
11 alleges, among other things, that the Settling Defendants violated Section 10(b) of
12 the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5(a)-(c) by
13 engaging in a fraudulent scheme to inflate Broadcom’s stock price by backdating
14 stock option grants and issuing allegedly false and misleading statements to
15 investors during the Class Period. The statements allegedly contained
16 misrepresentations and omissions regarding the Company’s stock option grants
17 between April 1998 and May 2003. The Amended Complaint also alleges that the
18 Individual Defendants were “control persons” and were liable under Section 20(a)
19 of the Exchange Act. The Amended Complaint further alleges that Lead Plaintiff
20 and other Class Members purchased Broadcom Class A common stock during the
21 Class Period at artificially inflated prices and were allegedly damaged when the
22 truth about Broadcom’s stock option practices was disclosed and the stock price
23 dropped. The Litigation seeks money damages against the Settling Defendants for
24 violations of these federal securities laws.

25
26
27 _____
28 ³ All claims against Ernst & Young have been dismissed and the dismissal is
being appealed.

1 The Settling Parties have been litigating the case since Lead Plaintiff was
2 appointed in October 2006.

3 On April 21, 2008 Lead Plaintiff filed a Consolidated Class Action
4 Complaint. Each of the defendants moved to dismiss this complaint on June 20,
5 2008. On October 6, 2008 the Court granted the motions to dismiss, without
6 prejudice, finding that the complaint failed to adequately allege loss causation and
7 gave Lead Plaintiff leave to amend the complaint. Lead Plaintiff subsequently
8 filed the Amended Complaint on October 27, 2008, which set forth additional facts
9 concerning loss causation and the defendants' alleged scienter.

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

23 On November 24, 2008, defendants moved to dismiss the Amended
24 Complaint in its entirety. On February 4, 2009 the Court entered an Order
25 dismissing all claims against Henry T Nicholas, III, no longer a party to the
26 Litigation. On February 10, 2009 the Court entered an Order dismissing, with
27 leave to amend, all claims asserted against Ernst & Young and George L. Farinsky
28 ("Farinsky"). On February 11, 2009, the Court entered an Order denying the

1 remaining defendants' motions to dismiss. On February 18, 2009, Lead Plaintiff
2 filed a notice of intent not to amend the Amended Complaint as to Ernst & Young
3 and Farinsky; however, Lead Plaintiff has appealed the dismissal of the claims
4 against Ernst & Young to the United States Court of Appeals for the Ninth Circuit.

5 On March 4, 2009 the Court appointed John Francis Carroll as Special
6 Master to oversee certain pre-trial matters in the Litigation. The parties raised and
7 litigated a number of disputes before Special Master Carroll and Lead Plaintiff has
8 reviewed and analyzed more than four million pages of documents produced in the
9 Litigation. On September 30, 2009, formal discovery was stayed pending the
10 outcome of criminal trials of certain Individual Defendants. Settlement discussions
11 commenced in late Spring 2008. Ultimately, through mediated arm's-length
12 negotiations before two highly experienced mediators and Special Master Carroll
13 spanning a year and a half, Broadcom and Lead Plaintiff reached an agreement in
14 principle that led to this Settlement.

15 The Settling Defendants deny all allegations of wrongdoing contained in the
16 Amended Complaint and deny that they are liable. The Settlement should not be
17 seen as an admission or concession on the part of any defendant about any of the
18 claims, their fault or liability for damages.

19

3. Why is this a class action?

20 In a class action, one or more people called class representatives (in this case
21 Lead Plaintiff) sue on behalf of people or entities, known as "class members," who
22 have similar claims. A class action allows one court to resolve in a single case
23 many similar claims that, if brought separately by individuals, might be
24 economically so small that they would never be brought. One court resolves the
25 issues for all class members, except for those who exclude themselves, or "opt
26 out," from the class (discussed below).
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1 4. Why is there a settlement?

2 The Court did not finally decide in favor of Lead Plaintiff or the Settling
3 Defendants. The Settlement will end all the claims against the Settling Defendants
4 in the Litigation and avoid the uncertainties and costs of further litigation and any
5 future trial. Affected investors will get compensation immediately, rather than
6 after the time it would take to conduct additional litigation and discovery, have a
7 trial and exhaust all appeals. The Settlement was reached after Lead Plaintiff
8 conducted a thorough investigation, briefed two challenging motions to dismiss the
9 claims, reviewed more than four million pages of documents produced during the
10 course of the Litigation, consulted with an expert in the field of damages, and
11 engaged in arm's-length negotiations about a settlement. Several settlement
12 discussions took place between Broadcom and Lead Plaintiff over the span of a
13 year and a half, including two separate mediation sessions before two different
14 impartial and highly experienced mediators and Special Master Carroll. Broadcom
15 and Lead Plaintiff worked closely with the co-mediators to prepare for the second
16 mediation session. These negotiations ultimately resulted in an agreement to settle
17 the claims asserted in the Litigation. Lead Plaintiff and Lead Counsel believe the
18 Settlement is in the best interest of Class Members.

19 **WHO IS IN THE SETTLEMENT**

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

21 The Court will be asked to certify this Litigation as a class action for the
22 purposes of settlement only and to order that everyone who fits the following
23 description is a Class Member, unless they take steps to exclude themselves:
24

25 all persons and entities that purchased or otherwise
26 acquired Class A common stock of Broadcom Corp.
27 during the period from July 21, 2005 through July 13,
28 2006, inclusive, and were allegedly damaged thereby.
Excluded from the Settlement Class are: the current or
former defendants in the Litigation; the officers and
directors of the Company; the members of the immediate
families of the current or former individual defendants in
the Litigation; the legal representatives, heirs, successors

1 or assigns of any excluded Person; any entity in which
2 any current or former defendant has or had a controlling
3 interest; shares of Broadcom Class A common stock
4 purchased by any Broadcom employee who acquired the
5 shares through the exercise of incentive stock options
6 from July 21, 2005 through July 13, 2006, inclusive; and
7 any Person who timely and validly seeks exclusion from
8 the Settlement Class (“Settlement Class”).

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

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

13 There are some people who cannot be in the Settlement Class. The excluded
14 persons are: (a) the current or former defendants in the Litigation; (b) the officers
15 and directors of the Company; (c) the members of the immediate families of the
16 current or former individual defendants in the Litigation; (d) the legal
17 representatives, heirs, successors or assigns of any excluded Person; (e) any entity
18 in which any current or former defendant has or had a controlling interest; (f)
19 shares of Broadcom Class A common stock purchased by any Broadcom employee
20 who acquired the shares through the exercise of incentive stock options from July
21 21, 2005 through July 13, 2006, inclusive; and (g) any Person who timely and
22 validly seeks exclusion from the Settlement Class.

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

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

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

2 If you are still not sure whether you are included, you can ask for free help
3 from the Claims Administrator: *In re Broadcom Corp. Class Action Litigation*,
4 Claims Administrator, c/o [name], [address], 800-[__], www.[__].com. Or you can
5 fill out and return the Proof of Claim and Release form (“Proof of Claim”)
6 described on page [____], in Question 10, to see if you qualify.

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

8 8. What does the Settlement provide?

9 In the Settlement, Broadcom has agreed to fund a \$160,500,000 (before
10 interest) account to be divided, after deduction of Court-awarded attorneys’ fees
11 and expenses, the Lead Plaintiff’s Court-approved costs and expenses, settlement
12 administration costs and any applicable taxes (“Net Settlement Fund”), among all
13 Class Members who timely submit valid Proofs of Claim.
14

15 9. How much will my payment be?

16 The Plan of Allocation discussed on page [____] explains how claimants’
17 “Recognized Losses” will be calculated. Your share of the settlement fund will
18 depend on several things, including: (a) the amount of Recognized Losses of other
19 Class Members; (b) how many shares of Broadcom stock you bought; (c) how
20 much you paid for the shares; (d) when you bought them; and (e) whether or when
21 you sold them (and, if so, for how much you sold them).

22 It is unlikely that you will get a payment for your entire Recognized Loss,
23 given the number of potential Class Members. After all Class Members have sent
24 in their Proofs of Claim, the payment you get will be a portion of the Net
25 Settlement Fund. Your share will be your Recognized Loss divided by the total of
26 all Class Members’ Recognized Losses and then multiplied by the total amount in
27 the Net Settlement Fund. *See* the Plan of Allocation beginning on page [____] for
28 more information.

1 Once all the Proofs of Claim are processed and claims are calculated, Lead
2 Counsel, without further notice to the Settlement Class, will apply to the Court for
3 an order distributing the Net Settlement Fund to the members of the Settlement
4 Class. Lead Counsel will also ask the Court to approve payment of the Claims
5 Administrator’s fees and expenses incurred in connection with administering the
6 Settlement that have not already been reimbursed.

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

8 10. How can I get a payment?

9 To qualify for a payment, you must timely send in a validly completed Proof
10 of Claim with supporting documents (**DO NOT SEND ORIGINALS** of your
11 supporting documents). A Proof of Claim is being circulated with this Notice.
12 You may also get a Proof of Claim on the Internet at the websites for the Claims
13 Administrator: [www.\[\]com](http://www.[]com), or Lead Counsel: www.labaton.com. Please read
14 the instructions carefully, fill out the Proof of Claim, include all the documents the
15 form asks for, sign it, and mail it to the Claims Administrator by First-Class Mail,
16 **postmarked on or before** _____, 2010. *The Claims Administrator needs all*
17 *of the information requested in the Proof of Claim in order to determine what you*
18 *may be entitled to.*

19 11. When would I get my payment?

20 The Court will hold a hearing on _____, 2010 at __:___.m., to
21 decide whether to approve the Settlement. All Proofs of Claim need to be
22 submitted **postmarked on or before** _____, 2010. If the Court approves
23 the Settlement, there may still be appeals which would delay payment, perhaps for
24 more than a year. It also takes time for all the Proofs of Claim to be processed.
25 Please be patient.
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1 12. What am I giving up by staying in the Settlement Class and getting a
2 payment?

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

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

22
23 ⁴ “Released Defendant Parties” in this Settlement means any and all of the
24 Settling Defendants and each of their current or former officers, directors,
25 employees, partners, principals, agents, attorneys, personal or legal
26 representatives, consultants, experts, predecessors, successors, parents,
27 subsidiaries, divisions, joint ventures, assigns, general or limited partners or
28 partnerships, limited liability companies, spouses, heirs, executors, estates,
administrators, related or affiliated entities, any entity in which any Settling
Defendant has a controlling interest, any members of any Settling Defendant’s
immediate family, or any trust of which any Settling Defendant is the settlor or
which is for the benefit of any member of any Settling Defendant’s family.
Released Defendant Parties does not include Ernst & Young.

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

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

24 A general release does not extend to claims which the
25 creditor does not know or suspect to exist in his or her
26 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.

27 Lead Plaintiff, the Class Members or the Settling Defendants may hereafter
28 discover facts in addition to or different from those which he, she, or it now knows

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

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

16 **EXCLUDING YOURSELF FROM THE SETTLEMENT**

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

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

26 To “opt out” (exclude yourself) from the Settlement Class, you must send a
27 signed letter by First-Class Mail stating that you “request exclusion from the
28

1 Settlement Class in *In re Broadcom Corporation Class Action Litigation*, No. CV-
2 06-5036-R (CWx).” Your letter must state the date(s), price(s) and number of
3 shares of all your purchases, acquisitions and sales of Broadcom Class A common
4 stock during the Class Period. This information is needed to determine whether
5 you are a Class Member. In addition, you must include your name, address,
6 telephone number, and your signature. You must mail your exclusion request by
7 First-Class Mail, **postmarked on or before** _____, 2010, to:

8 IN RE BROADCOM CORP. CLASS ACTION LITIGATION
9 CLAIMS ADMINISTRATOR
10 EXCLUSIONS
11 C/O [name].
[address]
[_____]

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

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

18 No. Unless you exclude yourself, you give up any rights to sue the Settling
19 Defendants and the other Released Defendant Parties for all Released Claims. If
20 you have a pending lawsuit speak to your lawyer in that case **immediately**. You
21 must exclude yourself from *this* Settlement Class to continue your own lawsuit.
22 Remember, the exclusion deadline is _____, 2010.

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

24 No. If you exclude yourself, do not send in a Proof of Claim to ask for any
25 money. But, you may exercise any right you may have to sue, continue to sue or
26 be part of a different lawsuit against the Settling Defendants and the other Released
27 Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

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

17. How will the lawyers be paid?

Lead Counsel has not received any payment for its services in pursuing the claims against the Settling Defendants on behalf of the Settlement Class, nor has it been reimbursed for its litigation expenses. At the Settlement Hearing described below, or at such other time as the Court may order, Lead Counsel will ask the Court to award it, from the Settlement Fund, attorneys' fees of no more than 20% of the Settlement Fund (including accrued interest), and to reimburse it for its litigation expenses, such as the cost of experts, that it has incurred in pursuing the Litigation. The request for reimbursement of expenses will not exceed \$750,000, plus interest on the expenses at the same rate as may be earned by the Settlement Fund. Pursuant to the PSLRA, the Lead Plaintiff may also ask the Court to reimburse it for costs and expenses it incurred in representing the Settlement Class in an amount of no more than \$20,000. If the applications for attorneys' fees and expenses are approved in full, the average amount of such fees and expenses per damaged share would be approximately \$0.09.

The fee requested by Lead Counsel would compensate it for its efforts in achieving the Settlement for the benefit of the Settlement Class and for the risk in undertaking the Litigation on a contingency basis. A request of 20% may be determined by the Court to be reasonable given: (a) the result achieved; (b) the

1 novelty and difficulty of the claims; (c) the risk that Lead Plaintiff would not
2 prevail; (d) the quality of counsel's representation; and (e) the fees awarded in
3 similar 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 Lead 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: *In re Broadcom Corp. Class Action*
13 *Litigation*, No. CV-05-5036-R (CWx). You must include your name, address,
14 telephone number and your signature; identify the date(s), price(s) and number of
15 shares of all purchases, acquisitions and sales of Broadcom stock you made during
16 the Class Period; and state the reasons why you object to the Settlement. This
17 information is needed to demonstrate your membership in the Settlement 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 (with a corresponding postmark) **on or before** _____, 2010 to all the
23 following:

24 **COURT:**

LEAD COUNSEL:

1 CLERK OF THE COURT
2 United States District Court for the
3 Central District of California –
4 Western Div.
5 Spring Street Courthouse
6 312 N. Spring Street
7 Los Angeles, CA 90012

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

6 **SETTLING DEFENDANTS' COUNSEL:**

8 IRELL & MANELLA LLP
9 Daniel P. Lefler
10 1800 Avenue of the Stars
11 Suite 900
12 Los Angeles, CA 90067-4276

SKADDEN, ARPS, SLATE,
MEAGHER AND FLOM LLP
Richard Marmaro
300 Grand Avenue, Suite 3400
Los Angeles, CA 90071-3144

12 *Counsel for Defendant Broadcom
Corporation*

*Counsel for Defendant William J.
Ruehle*

14 MCDERMOTT, WILL & EMERY
15 Gordon A. Greenberg
16 2049 Century Park East
17 38th Floor
18 Los Angeles, CA 90067

DLA PIPER LLP (US)
Shirli Fabbri Weiss
401 B Street, Suite 1700
San Diego, CA 92101-4297

18 *Counsel for Defendant Henry Samuelli*

*Counsel for Defendants Alan E.
Ross and Werner F. Wolfen*

19 O'MELVENY & MYERS LLP
20 Seth Aronson
21 400 S. Hope Street
22 Los Angeles, CA 90071

23 *Counsel for Defendant David A. Dull*

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

25 Objecting is simply telling the Court that you do not like something about
26 the proposed Settlement. You can still recover from the Settlement. You can
27 object only if you stay in the Settlement Class. Excluding yourself is telling the
28

1 Court that you do not want to be part of the Settlement Class. If you exclude
2 yourself, you have no basis to object because the case no longer affects you.

3 **THE COURT'S SETTLEMENT HEARING**

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

6 The Court will hold a Settlement Hearing at _____.m. on _____, 2010,
7 in Courtroom 8 of the Spring Street Courthouse, the United States District Court
8 for the Central District of California (Western Division), 312 N. Spring Street, Los
9 Angeles, CA 90012. At this hearing, the Court will consider whether the
10 Settlement is fair, reasonable and adequate. The Court also will consider the
11 proposed Plan of Allocation for the proceeds of the Settlement and the applications
12 for attorneys' fees and reimbursement of expenses. The Court will take into
13 consideration any written objections filed in accordance with the instructions set
14 out above in the answer to Question 18. We do not know how long it will take the
15 Court to make these decisions.

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

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

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

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

25 If you object to the Settlement, you may ask the Court for permission to
26 speak at the Settlement Hearing. To do so, you must include with your objection
27 (*see* Question 18 above) a statement that it is your "notice of intention to appear in
28

1 *In re Broadcom Corp. Class Action Litigation*, No. CV-06-5036-R (CWx).”
2 Persons who intend to object and want to present evidence at the Settlement
3 Hearing must also include in their written objection the identity of any witness they
4 may call to testify and exhibits they intend to introduce at the Settlement Hearing.
5 You cannot speak at the hearing if you excluded yourself from the Settlement
6 Class or if you have not provided written notice of your intention to speak at the
7 Settlement Hearing according to the procedures described above and in the answer
8 to Question 18.

9 **IF YOU DO NOTHING**

10 23. What happens if I do nothing at all?

11 If you do nothing, you will get no money from this Settlement and you will
12 not be able to start a lawsuit, continue with a lawsuit, or be part of any other
13 lawsuit against the Settling Defendants and the other Released Defendant Parties
14 about the Released Claims in this case. To share in the Net Settlement Fund you
15 must submit a Proof of Claim (*see* Question 10). To start, continue or be a part of
16 any *other* lawsuit against the Settling Defendants and the other Released Defendant
17 Parties about the Released Claims in this case you must exclude yourself from this
18 Settlement Class (*see* Question 13).

19 **GETTING MORE INFORMATION**

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

21 This Notice summarizes the proposed Settlement. More details are in the
22 Stipulation and Agreement of Settlement with Broadcom Defendants dated as of
23 April 30, 2010 (the “Stipulation”). You may review the Stipulation filed with the
24 Court and all documents filed in the Litigation during business hours at the Office
25 of the Clerk of the United States District Court for the Central District of
26 California, Spring Street Courthouse, 312 N. Spring Street, Los Angeles, CA
27 90012.
28

1 You also can call the Claims Administrator toll free at 800-[____]; call Lead
2 Counsel at 800-[____]; write to *In re Broadcom Corp. Class Action Litigation*, c/o
3 [____], [____]; or visit the websites www.[____].com or www.labaton.com, where you
4 can find answers to common questions about the Settlement, download copies of
5 the Proof of Claim form, and locate other information to help you determine
6 whether you are a Class Member and whether you are eligible for a payment.

7 **Please Do Not Call the Court or Broadcom With Questions About the**
8 **Settlement.**

9 **PLAN OF ALLOCATION OF NET SETTLEMENT FUND**
10 **AMONG CLASS MEMBERS**

11 The \$160,500,000 Settlement Amount and any interest it earns is called the
12 Settlement Fund. The Settlement Fund, minus all taxes, costs, fees and expenses
13 (the “Net Settlement Fund”), will be distributed according to the Plan of Allocation
14 described herein to members of the Settlement Class who timely submit valid
15 Proofs of Claim that show a Recognized Loss (“Authorized Claimants”), as
16 defined herein, and who have a net loss on all Class Period transactions in
17 Broadcom Class A common stock. Class Members who do not timely submit valid
18 Proofs of Claim will not share in the Settlement proceeds, but will otherwise be
19 bound by the terms of the Settlement. The Court may approve the Plan of
20 Allocation with or without modifications agreed to among the Settling Parties, or
21 another Plan of Allocation, without further notice to the Settlement Class.

22 The Claims Administrator will determine each Authorized Claimant’s *pro*
23 *rata* share of the Net Settlement Fund based upon each Authorized Claimant’s
24 “Recognized Loss,” as described herein. The Plan of Allocation is not intended to
25 estimate the amount a Class Member might have been able to recover after a trial,
26 nor is it intended to estimate the amount that will be paid to Authorized Claimants.
27 The Plan of Allocation is the basis upon which the Net Settlement Fund will be
28 proportionately divided among all the Authorized Claimants. The Court will be

1 asked to approve the Claims Administrator's determinations before the Net
2 Settlement Fund is distributed to Authorized Claimants. No distributions to
3 Authorized Claimants who would receive less than \$10.00 will be made, given the
4 administrative expenses of processing and mailing such checks.

5 The Settling Defendants, their respective counsel, and all other Released
6 Defendant Parties will have no responsibility for or liability whatsoever for the
7 investment of the Settlement Fund, the distribution of the Net Settlement Fund, the
8 Plan of Allocation or the payment of any claim. Lead Plaintiff and Lead Counsel
9 likewise will have no liability for their reasonable efforts to execute, administer
10 and distribute the Settlement.

11 The following Plan of Allocation reflects the allegations that the price of
12 Broadcom Class A common stock during the Class Period was inflated artificially
13 by reason of allegedly false and misleading statements made by the Settling
14 Defendants about Broadcom's stock option granting practices and resulting
15 compensation expenses. The Settling Defendants deny any allegations of liability.
16 The artificial inflation allegedly began on July 21, 2005 when Broadcom issued its
17 second quarter 2005 results in a press release and Form 8-K filed with the SEC.
18 Lead Plaintiff alleges that these statements and subsequent statements throughout
19 the Class Period, made materially false and misleading representations and
20 omissions about the business, management, and operations of Broadcom,
21 specifically Broadcom's stock option granting practices and its resulting
22 compensation expenses.

23 Lead Plaintiff alleges that the artificial inflation was gradually eliminated
24 after disclosures in May 2006 when, among other things, Merrill Lynch issued an
25 "Industry Overview" report publicly disclosing that Broadcom was suspected of
26 improper accounting of its stock option grants; reports were made that the criminal
27 probe of Broadcom was expanding; and it was disclosed that Broadcom had
28 launched its own internal investigation. The Plan of Allocation described below

1 was created with the assistance of a damages expert who analyzed the movement
2 of Broadcom's Class A common stock after the alleged disclosures. It takes into
3 account the portion of the stock drops attributable to the alleged fraud.

4 PLAN OF ALLOCATION

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

14 For purposes of determining whether a claimant had an out-of-pocket gain
15 from his, her, or its overall transactions in Broadcom Class A common stock
16 during the Class Period or suffered a net loss, the Claims Administrator shall
17 determine the difference between (i) the Total Purchase Amount⁵ and (ii) the sum
18 of the Sales Proceeds⁶ and the Holding Value.⁷ This difference will be deemed a
19 claimant's out-of-pocket gain or loss on his, her, or its overall transactions in
20 common stock during the Class Period.

21
22 ⁵ The "Total Purchase Amount" is the total amount the claimant paid for all
Broadcom Class A common stock purchased during the Class Period.

23 ⁶ The Claims Administrator shall match any sales of Broadcom Class A
24 common stock during the Class Period and sales during the PSLRA 90-day
25 look-back period first against the claimant's opening position in Broadcom
26 Class A common stock (the proceeds of those sales will not be considered for
27 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
28 sales during the PSLRA 90-day look-back period that may be matched against
Class Period purchases is the "Sales Proceeds."

⁷ 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 \$27.40 per share (the "Holding
Value").

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

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

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

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

2 For shares of Broadcom Class A common stock purchased between July 21,
3 2005 and July 13, 2006:

4 A. For shares held at the end of trading on October 11, 2006, the
5 Recognized Loss shall be that number of shares multiplied by the lesser of:

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

7 (2) the amount by which the purchase price per share exceeds \$27.40.⁸

8 B. For shares sold between July 21, 2005 and July 13, 2006, the
Recognized Loss shall be that number of shares multiplied by the lesser of:⁹

9 (1) the applicable Claim Per Share figure for the date of purchase less the
10 applicable Claim Per Share figure for the date of sale, each as found in Table A; or

11 (2) the amount by which the purchase price per share exceeds the sales
price per share.

12 C. For shares sold between July 14, 2006 and October 11, 2006, the
13 Recognized Loss shall be the lesser of:

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

15 (2) the amount by which the purchase price per share exceeds the average
16 closing price¹⁰ of Broadcom common stock between July 14, 2006 and the date of
sale.

17 _____
18 ⁸ Pursuant to Section 21(D)(e)(1) of the PSLRA, “in any private action
19 arising under this title in which the plaintiff seeks to establish damages by
20 reference to the market price of a security, the award of damages to the plaintiff
21 shall not exceed the difference between the purchase or sale price paid or
22 received, as appropriate, by the plaintiff for the subject security and the mean
trading price of that security during the 90-day period beginning on the date on
which the information correcting the misstatement or omission that is the basis
for the action is disseminated.” \$27.40 was the mean closing price of Broadcom
common stock during the 90-day period beginning on July 14, 2006 and ending
on October 11, 2006.

23 ⁹ The Recognized Loss for shares that were both purchased and sold within
24 the same Transaction Date Range as set forth in Table A, will be zero.

25 ¹⁰ The Claims Administrator will calculate the average closing price of
26 Broadcom common stock between July 14, 2006 and the date of sale using
pricing data set forth in Table B, available at www._____.com.

27 ¹¹ Pursuant to Section 21(D)(e)(2) of the PSLRA, “in any private action
28 arising under this title in which the plaintiff seeks to establish damages by
reference to the market price of a security, if the plaintiff sells or repurchases the
subject security prior to the expiration of the 90-day period described in
paragraph (1), the plaintiff’s damages shall not exceed the difference between

Table A

<u>Transaction Date Range</u> (for purchases and sales)	<u>Claim Per Share</u>
07-21-2005 – 05/19/2006	\$4.58
05-22-2006	\$1.92
05-23-2006 – 05-24-2006	\$1.19
05-25-2006 – 07-13-2006	\$0.10

**SPECIAL NOTICE TO SECURITIES BROKERS
AND OTHER NOMINEES**

If you purchased or acquired Broadcom Class A common stock (NASDAQ ticker: [__]; ISIN [__]) during the period from July 21, 2005 through July 13, 2006, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased or acquired Broadcom Class A common stock during such time period (preferably in an MS Excel data table, setting forth (i) title/registration, (ii) street address, (iii) city/state/zip; or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels) or; (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) calendar days send by First-Class Mail the Notice and Proof of Claim form directly to the beneficial owners of those Broadcom shares.

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.”

1 If you choose to follow alternative procedure (b), the Court has directed that,
2 upon such mailing, you send a statement to the Claims Administrator confirming
3 that the mailing was made as directed. You are entitled to reimbursement from the
4 Settlement Fund of your reasonable expenses actually incurred in connection with
5 the foregoing, including reimbursement of postage expense and the cost of
6 ascertaining the names and addresses of beneficial owners. Those expenses will be
7 paid after request and submission of appropriate supporting documentation. All
8 communications concerning the foregoing should be addressed to the Claims
9 Administrator:

10 IN RE BROADCOM CORP. CLASS ACTION LITIGATION
11 CLAIMS ADMINISTRATOR
12 ATTENTION: []

[]
[]

13 Phone: []; Fax: []
14 []@[].com
[].com

15
16 Dated: _____, 2010

17 BY ORDER OF THE COURT
18 UNITED STATES DISTRICT COURT
19 CENTRAL DISTRICT OF CALIFORNIA
20
21
22
23
24
25
26
27
28

Exhibit A-2

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 Lead Plaintiff New Mexico
State Investment Council and the Class*

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

13 *Lead Counsel for Lead Plaintiff 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)
19 } **PROOF OF CLAIM AND**
20 } **RELEASE FORM**
21 } **EXHIBIT A-2**

22 **I. GENERAL INSTRUCTIONS**

23 1. To receive a recovery from the Net Settlement Fund as a Member of
24 the Settlement Class in the class action lawsuit entitled *In re Broadcom Corp.*
25 *Class Action Litigation*, No. CV-06-5036-R (CWx) (the “Litigation”), you must
26 complete and, on page [____] below, sign this Proof of Claim and Release form
27 (“Proof of Claim”). If you fail to submit a timely, properly completed and
28 addressed (as set forth in paragraph 3 below) Proof of Claim, your claim may be

1 rejected and you may be precluded from any recovery from the Net Settlement
2 Fund created in connection with the Settlement of the Litigation.

3 2. Submission of this Proof of Claim, however, does not ensure that you
4 will share in the Net Settlement Fund, even if you are a Class Member.

5 3. **YOU MUST MAIL YOUR COMPLETED AND SIGNED**
6 **PROOF OF CLAIM POSTMARKED ON OR BEFORE _____, 2010,**
7 **ADDRESSED AS FOLLOWS:**

8 *IN RE BROADCOM CORPORATION CLASS ACTION*
9 *LITIGATION*
10 CLAIMS ADMINISTRATOR
11 C/O [Name]
[address]
[]

12 If you are NOT a member of the Settlement Class (as defined in the Notice of
13 Pendency of Class Action and Proposed Settlement With Broadcom Defendants)
14 DO NOT submit this Proof of Claim. You are not entitled to a recovery.

15 4. If you are a member of the Settlement Class and you have not timely
16 and validly requested to be excluded from the Settlement Class, you will be bound
17 by the terms of the Final Order and Judgment entered by the Court, WHETHER
18 OR NOT YOU SUBMIT A PROOF OF CLAIM.

19 **II. DEFINITIONS**

20 All capitalized terms not otherwise defined herein shall have the same
21 meaning as set forth in the Notice of Pendency of Class Action and Proposed
22 Settlement With Broadcom Defendants (“Notice”) that accompanies this Proof of
23 Claim and in the Stipulation and Agreement of Settlement With Broadcom
24 Defendants (“Stipulation”).

25 **III. IDENTIFICATION OF CLAIMANT**

26 1. You are a Class Member if you purchased or otherwise acquired the
27 Class A common stock of Broadcom Corporation (“Broadcom” or the “Company”)
28

1 during the period from July 21, 2005 through July 13, 2006, inclusive (the “Class
2 Period”), and were allegedly damaged thereby and are not an excluded person.
3 Excluded from the Settlement Class are: the current or former defendants in the
4 Litigation; the officers and directors of the Company; the members of the
5 immediate families of the current or former individual defendants in the Litigation;
6 the legal representatives, heirs, successors or assigns of any excluded Person; any
7 entity in which any current or former defendant has or had a controlling interest;
8 shares of Broadcom Class A common stock purchased by any Broadcom employee
9 who acquired the shares through the exercise of incentive stock options from July
10 21, 2005 through July 13, 2006, inclusive; and any Person who timely and validly
11 seeks exclusion from the Settlement Class.

12 2. If the Broadcom common stock you purchased or acquired was held
13 in your name, you are the beneficial purchaser or acquirer as well as the record
14 purchaser or acquirer. If, however, you purchased or otherwise acquired
15 Broadcom Class A common stock during the Class Period through a third party,
16 such as a nominee or brokerage firm, and the securities were registered in the name
17 of that third party, you are the beneficial purchaser or acquirer of these securities,
18 but the third party is the record purchaser or acquirer of these securities.

19 3. Use Part I of this form entitled “Claimant Identification” to identify
20 each beneficial purchaser or acquirer of Broadcom Class A common stock that
21 forms the basis of this claim, as well as the purchaser or acquirer of record if
22 different. **THIS CLAIM MUST BE SUBMITTED BY THE ACTUAL**
23 **BENEFICIAL PURCHASER(S), OR AUTHORIZED ACQUIRER(S) OR**
24 **LEGAL REPRESENTATIVE(S) OF SUCH BENEFICIAL PURCHASER(S) OR**
25 **ACQUIRER(S), OF THE BROADCOM COMMON STOCK UPON WHICH**
26 **THIS CLAIM IS BASED.**

27
28

1 4. All joint beneficial purchasers or acquirers must sign this claim.
2 Executors, administrators, guardians, conservators and trustees must complete and
3 sign this claim on behalf of Persons represented by them and their authority must
4 accompany this claim and their titles or capacities must be stated. The Social
5 Security (or employer identification) number and telephone number of one of the
6 beneficial owner(s) may be used in verifying this claim. Failure to provide the
7 foregoing information could delay verification of your claim or result in rejection
8 of your claim.

9 **IV. IDENTIFICATION OF TRANSACTION(S)**

10 1. Use Part II of this form entitled “Schedule of Transactions in
11 Broadcom Common Stock” to supply all required details of your transaction(s) in
12 Broadcom Class A common stock. If you need more space or additional
13 schedules, attach separate sheets providing all of the required information in
14 substantially the same form. Sign and print or type your name and include your
15 Social Security or employer identification number and the full name of the account
16 on each additional sheet.

17 2. On the schedules, provide all of the requested information with
18 respect to: (i) *all* of your holdings of Broadcom Class A common stock as of the
19 beginning of trading on July 21, 2005; (ii) *all* of your purchases, acquisitions, sales
20 and other transactions of Broadcom Class A common stock which took place at
21 any time beginning July 21, 2005 through, and including, July 13, 2006; and (iii)
22 proof of your holdings of Broadcom Class A common stock as of the close of
23 trading on July 13, 2006, whether such purchases, acquisitions, sales or
24 transactions resulted in a profit or a loss. Failure to report all such transactions
25 may result in the rejection of your claim.

26 3. List each purchase, acquisition, sale and transaction in the Class
27 Period separately and in chronological order, by trade date, beginning with the
28

1 earliest. You must accurately provide the month, day and year of each such
2 transaction you list.

3 4. Copies of broker confirmations or other documentation of your
4 purchases, acquisitions, sales or transactions in Broadcom Class A common stock
5 must be attached to your claim. **DO NOT SEND ORIGINALS.** Failure to
6 provide this documentation could delay verification of your claim or result in
7 rejection of your claim. The Settling Parties and the Claims Administrator do not
8 independently have information about your investments in Broadcom common
9 stock. The Claims Administrator may also request additional information as
10 needed to efficiently and reliably calculate your losses.

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1 UNITED STATES DISTRICT COURT
2 FOR THE CENTRAL DISTRICT OF CALIFORNIA
3 WESTERN DIVISION

4 *In re Broadcom Corp. Class Action Litigation*
5 No. CV-06-5036-R (CWx)
6 PROOF OF CLAIM AND RELEASE FORM

7 Must be Postmarked No Later Than:
8 _____, 2010

9 Please Type or Print

10 **PART I: CLAIMANT IDENTIFICATION**

11 Beneficial Owner's Name (First, Middle, Last)

12 Street Address

13 City

State

Zip Code

14 Foreign Province

Foreign Country

15 Social Security Number or
16 Employer Identification Number

17 Check appropriate box:

- 18 Individual or Sole Proprietor Pension Plan
- 19 Corporation Partnership Estate Trust Joint
- 20 IRA Other

21 Area Code

Telephone Number

(work)

22 Area Code

Telephone Number

(home)

23 E-mail address

Facsimile Number

1 Were your shares held in "street name" (i.e., in the name of a stock broker or other
 2 nominee)? If so, that broker or nominee is the Record Owner and you are required
 3 to fill in the following line.

4 Record Owner's Name (if different from beneficial owner listed above); e.g.,
 5 brokerage firm, bank, nominee, etc.

6 **PART II: SCHEDULE OF TRANSACTIONS**
 7 **IN BROADCOM COMMON STOCK**

8 A. Number of shares of Broadcom Class A common stock held at the
 9 beginning of trading on July 21, 2005: _____

10 B. Purchases or other acquisitions, including by way of exchange,
 11 conversion or otherwise (on or after July 21, 2005 through and
 12 including October 11, 2006) of Broadcom Class A common stock:

	Trade Date Month/Day/Year	Number of Shares Purchased or Acquired	Total Purchase Price*
13	1. _____	_____	_____
14	2. _____	_____	_____
15	3. _____	_____	_____
16	4. _____	_____	_____
17	5. _____	_____	_____

18 C. Sales or other deliveries, including by way of exchange or otherwise
 19 (on or after July 21, 2005 through and including October 11, 2006) of
 20 Broadcom Class A common stock:

	Trade Date Month/Day/Year	Number of Shares Sold	Total Sales Price*
21	1. _____	_____	_____
22	2. _____	_____	_____
23	3. _____	_____	_____
24	4. _____	_____	_____
25	5. _____	_____	_____

26 D. Number of shares of Broadcom Class A common stock held at the
 27 close of trading on October 11, 2006: _____

28 * Excluding taxes, fees and commissions.

1 If you require additional space, attach extra schedules in the same format as above.
2 Sign and print your name and include your Social Security or employer
3 identification number and full account name on each additional page.

4 **YOU ARE NOT FINISHED,**
5 **PLEASE READ THE RELEASE AND SIGN ON PAGE [_____] BELOW.**
6 **FAILURE TO SIGN THE RELEASE MAY RESULT IN A DELAY IN**
7 **PROCESSING OR THE REJECTION OF YOUR CLAIM.**

8 **V. SUBMISSION TO THE JURISDICTION OF THE COURT**
9 **AND ACKNOWLEDGMENTS**

10 I (We) submit this Proof of Claim under the terms of the Stipulation
11 described in the Notice. I (We) also submit to the jurisdiction of the United States
12 District Court for the Central District of California with respect to my (our) claim
13 as a Class Member and for purposes of enforcing the release set forth herein. I
14 (We) further acknowledge that I (we) will be bound by and subject to the terms of
15 any Final Order and Judgment that may be entered in the Litigation. I (We) agree
16 to furnish additional information to the Claims Administrator to support this claim
17 if requested to do so. I (We) have not submitted any other claim covering the same
18 purchases, acquisitions or sales or holdings of Broadcom Class A common stock
19 during the Class Period and know of no other Person having done so on my (our)
20 behalf.

21 **VI. RELEASE**

22 1. I (We) hereby acknowledge full and complete satisfaction of, and do
23 hereby fully, finally and forever settle, release and discharge from the Released
24 Claims each and all of the Released Defendant Parties as those terms and terms
25 related thereto are defined in the accompanying Notice.

26 2. This release shall be of no force or effect unless and until the Court
27 approves the Stipulation and the Effective Date (as defined in the Stipulation) has
28 occurred.

1 3. I (We) hereby warrant and represent that I (we) have not assigned or
2 transferred or purported to assign or transfer, voluntarily or involuntarily, any
3 matter released pursuant to this release or any other part or portion thereof.

4 4. I (We) hereby warrant and represent that I (we) have included
5 information about all of my (our) purchases, acquisitions, and sales and other
6 transactions in Broadcom Class A common stock which occurred during the Class
7 Period and the number of shares of Broadcom Class A common stock held by me
8 (us) at the beginning of trading on July 21, 2005, and at the close of trading on
9 October 11, 2006.

10 5. I (We) hereby warrant and represent that I am (we are) not excluded
11 from the Settlement Class as defined herein and in the Notice, and that none of the
12 shares reflected in the schedules of transactions were acquired by me (us) while a
13 Broadcom employee from July 21, 2005 through July 13, 2006, inclusive, through
14 the exercise of incentive stock options granted by Broadcom.

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CERTIFICATION

UNDER THE PENALTY OF PERJURY, I (WE) CERTIFY THAT:

- 1. The number shown on this form is my correct Social Security or employer identification number; and
- 2. I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(C) of the Internal Revenue Code because: (a) I am (we are) exempt from backup withholding; or (b) I (we) have not been notified by the Internal Revenue Service that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends; or (c) the Internal Revenue Service has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, you must cross out Item 2 above.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this ____ day of _____, in _____, _____.
(Month / Year) (City) (State / Country)

(Sign your name here)

(Type or print your name here)

(Capacity of person(s) signing, e.g., Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign the above release and certification. If this claim is being made on behalf of joint claimants, both must sign.
2. Remember to attach supporting documentation. Do not highlight the Proof of Claim form or supporting documentation.
3. Do not send original stock certificates or other original documentation; please send only copies. These items cannot be returned to you by the Claims Administrator.
4. Keep a copy of your Proof of Claim form for your records.
5. If you move and/or change your name, please inform the Claims Administrator of your new address and/or name.

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Exhibit A-3

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

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

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

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

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

17 In re BROADCOM CORPORATION 18 CLASS ACTION LITIGATION 19 20 21 22	}	Lead Case No.: CV-06-5036 (CWx) SUMMARY NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT WITH BROADCOM DEFENDANTS EXHIBIT A-3
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1 **TO: ALL PERSONS AND ENTITIES THAT PURCHASED OR**
2 **OTHERWISE ACQUIRED THE CLASS A COMMON STOCK OF**
3 **BROADCOM CORPORATION DURING THE PERIOD FROM**
4 **JULY 21, 2005 THROUGH JULY 13, 2006, INCLUSIVE, (THE**
5 **“CLASS PERIOD”) AND WERE ALLEGEDLY DAMAGED**
6 **THEREBY (THE “SETTLEMENT CLASS”).**

7 **YOU ARE HEREBY NOTIFIED**, pursuant to Rule 23 of the Federal
8 Rules of Civil Procedure and an Order of the Court, that the above-captioned
9 action has been certified as a class action for the purposes of settlement only and
10 that a settlement of certain claims for \$160,500,000 has been proposed by the
11 Settling Parties. Claims against defendant Ernst & Young LLP are not part of the
12 settlement and continue to be litigated on appeal. A hearing will be held before the
13 Honorable Manuel L. Real of the United States District Court for the Central
14 District of California in the Spring Street Courthouse, Room 8, 312 N. Spring
15 Street, Los Angeles, CA 90012, at __:___ .m., on June 21, 2010 to determine:
16 whether the proposed settlement should be approved by the Court as fair,
17 reasonable, and adequate; whether the Settlement Class should be certified and a
18 class representative and class counsel be appointed; whether the proposed plan of
19 allocation for distribution of the settlement proceeds should be approved; to
20 consider the request of Lead Counsel for attorneys’ fees and reimbursement of
21 litigation expenses; and to consider the request of Lead Plaintiff, if any, for
22 reimbursement of its reasonable costs and expenses relating to its representations
23 of the Settlement Class. The Court may change the date of the hearing without
24 providing another notice.

25 **IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS**
26 **DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU**
27 **MAY BE ENTITLED TO SHARE IN THE NET SETTLEMENT FUND.** If
28 you have not yet received the full printed Notice of Pendency of Class Action and
Proposed Settlement With Broadcom Defendants (“Notice”) and a Proof of Claim

1 and Release form (“Proof of Claim”), you may obtain copies of these documents
2 by contacting the Claims Administrator:

3 *In re Broadcom Corp. Class Action Litigation*

4 Claims Administrator

5 c/o [_____]

6 [_____]

7 [_____]

8 800-[_____]

9 www.[_____].com

10 Inquiries, other than requests for information about the status of a claim,
11 may also be made to Lead Counsel:

12 Labaton Sucharow LLP

13 140 Broadway

14 New York, New York 10005

15 [_____]

16 www.labaton.com

17 To participate in the proposed settlement and be eligible to receive a
18 recovery, you must submit a Proof of Claim postmarked no later than _____,
19 2010. To exclude yourself from the Settlement Class, you must submit a request
20 for exclusion postmarked no later than June 4, 2010. If you are a Class Member
21 and do not exclude yourself from the Settlement Class, you will be bound by the
22 Final Order and Judgment as to Broadcom Defendants of the Court. Any
23 objections to the Settlement must be filed with the Court and served on counsel for
24 the parties on or before June 4, 2010. If you are a Class Member and do not timely
25 submit a valid Proof of Claim, you will not share in the Settlement, but you
26 nevertheless will be bound by the Final Order and Judgment of the Court.

27 DATED: _____

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

Exhibit B

1 JOSEPH J. TABACCO, JR. #75484
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4 San Francisco, CA 94111
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6 *Liaison Counsel for Lead Plaintiff New Mexico*
State Investment Council and the Class

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Facsimile: (212) 818-0477

13 *Lead Counsel for Lead Plaintiff 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)

20 **[PROPOSED] FINAL ORDER AND**
21 **JUDGMENT AS TO BROADCOM**
22 **DEFENDANTS**

EXHIBIT B

Honorable Manuel L. Real

1 **WHEREAS:**

2 A. As of April 30, 2010, Lead Plaintiff, New Mexico State Investment
3 Council (“Lead Plaintiff”), acting on behalf of itself and the Settlement Class,
4 entered into a Stipulation and Agreement of Settlement With Broadcom
5 Defendants (the “Stipulation”) with the Settling Defendants in these consolidated
6 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 Broadcom
9 Defendants, entered _____, 2010 (the “Preliminary Approval Order”),
10 the Court scheduled a hearing for _____, 2010, 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 Broadcom Defendants (the “Notice”) and a Proof of Claim and
17 Release Form (“Proof of Claim”), in the form attached as Exhibits 1 and 2 to the
18 Preliminary Approval Order, be mailed by first-class mail, postage prepaid, on or
19 before _____, 2010 (“Notice Date”) to all putative Class Members at the
20 address of each such Person as set forth in the records of Broadcom Corporation
21 (“Broadcom”) or its transfer agent, or who otherwise could be identified through
22 reasonable effort, and that a Summary Notice of Pendency of Class Action and
23 Hearing on Proposed Settlement With Broadcom Defendants (the “Summary
24 Notice”), in the form attached to the Preliminary Approval Order as Exhibit 3, be
25 published in *The Wall Street Journal* and transmitted over *Business Wire* within
26 fourteen (14) calendar days of the Notice Date.

27 C. The Notice and the Summary Notice advised Class Members of the
28 date, time, place and purpose of the Settlement Hearing. The Notice further

1 advised that any objections to the Settlement were required to be filed with the
2 Court and served on counsel for the Settling Parties by _____,
3 2010.

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

6 E. On _____, 2010, Lead Plaintiff moved for final approval
7 of the Settlement, as set forth in the Preliminary Approval Order. The Settlement
8 Hearing was duly held before this Court on _____, 2010, at which
9 time all interested Persons were afforded the opportunity to be heard.

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

14 NOW, THEREFORE, after due deliberation, IT IS ORDERED,
15 ADJUDGED AND DECREED that:

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

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

22 3. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court
23 hereby finally certifies, for the purposes of settlement only, this Litigation as a
24 class action on behalf of all persons and entities that purchased or otherwise
25 acquired the Class A common stock of Broadcom Corporation during the period
26 from July 21, 2005 through July 13, 2006, inclusive, (the "Class Period"), and
27 were allegedly damaged thereby (the "Settlement Class"). Excluded from the
28 Settlement Class are: the current or former defendants in the Litigation; the

1 officers and directors of the Company; the members of the immediate families of
2 the current or former individual defendants in the Litigation; the legal
3 representatives, heirs, successors or assigns of any excluded Person; any entity in
4 which any current or former defendant has or had a controlling interest; shares of
5 Broadcom Class A common stock purchased by any Broadcom employee who
6 acquired the shares through the exercise of incentive stock options from July 21,
7 2005 through July 13, 2006, inclusive; and any Person that timely and validly
8 sought exclusion from the Settlement Class, as listed on Exhibit A hereto.

9 4. The Court hereby appoints New Mexico State Investment Council as
10 Class Representative and Labaton Sucharow LLP as Class Counsel.

11 5. The notification provided for and given to the Settlement 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 6. 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 Settlement Class, the complexity, expense and possible
20 duration of further litigation against the Settling Defendants, the risks of
21 establishing liability and damages and the costs of continued litigation. This Court
22 further finds the Settlement set forth in the Stipulation is the result of arm's-length
23 negotiations between experienced counsel representing the interests of the Lead
24 Plaintiff, the Settlement Class and Settling Defendants.

25 7. 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.
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1 8. The Consolidated Amended Class Action Complaint, filed October
2 27, 2008, is hereby dismissed in its entirety as to all Settling Defendants, with
3 prejudice, and without costs to any Party, except as otherwise provided in the
4 Stipulation.

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

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

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

27 12. Pursuant to §21D(f)(7) of the PSLRA, 15 U.S.C. §78u-4(f)(7), each of
28 the Released Defendant Parties are hereby discharged from all claims and future

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

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

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

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

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

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

3 18. Without further order of the Court, the Settling Parties may agree to
4 reasonable extensions of time to carry out any of the provisions of the Stipulation.

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

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

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Dated: _____, 2010

Honorable Manuel L. Real
UNITED STATES DISTRICT JUDGE

EXHIBIT A

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