

In re Openwave Systems Securities Litigation

COURT: United States District Court for the Southern District of New York

CASE NUMBER: 07-cv-1309

CLASS PERIOD: 09/30/2002 - 10/26/2006

Securities fraud class action against Openwave Systems Inc., a developer of software products and services headquartered in Redwood City, California, and certain of its current and former senior officers.

This action alleges that between 2000 - 2005, Openwave's current and former executives engaged in a multi-year secret scheme to grant undisclosed, in-the-money stock options to themselves and others by backdating stock option grants to coincide with historically low closing prices for Openwave's common stock and to falsify the Company's financial statements and proxy statements to hide their stock option manipulations. By engaging in this scheme, defendants were able to conceal that Openwave was not recording material compensation expenses, thus materially overstating the Company's net income and earnings per share and understating its net losses and losses per share in direct violation of Generally Accepted Accounting Principles ("GAAP"). These fraudulent accounting practices have resulted in a restatement of over \$182 million.

On May 29, 2007, the United States District Court for the Southern District of New York appointed BLB&G client Arkansas Teacher Retirement System ("ATRS") as Lead Plaintiff and BLB&G as Lead Counsel for the Class. On June 29, 2007, BLB&G filed a Consolidated and Amended Complaint. The Consolidated and Amended Complaint asserts claims for numerous violations of the Securities Act and the Securities Exchange Act against various defendants including: (1) the Company; (2) current and former officers and directors; (3) the underwriters of a stock offering conducted during the Class Period; and (4) KPMG, Openwave's auditor during the Class Period, as a result of their involvement in the backdating of stock options and the Company's issuance of false financial statements. Defendants moved to dismiss the Consolidated and Amended Complaint, and ATRS opposed those motions on August 31, 2007. On October 31, 2007, the Court largely denied Defendants' motions to dismiss. Specifically, the Court sustained ATRS' securities fraud claims against the Company and certain of its former executives. Shortly after the Court's October 31, 2007 Opinion and Order, the parties began discovery.

Lead Plaintiff Recovers \$20 Million in Cash to Settle All Claims

On November 5, 2008, the Court gave preliminary approval to the proposed settlement reached by the Lead Plaintiff, ATRS, and the defendants for \$20 million in cash, resolving all outstanding claims.

On February 27, 2009, the Honorable Denise Cote of the United States District Court for the Southern District of New York granted final approval of the settlement. In order to be eligible to share in the benefits of the settlement, class members were required to submit a completed and signed Proof of Claim Form postmarked no later than March 25, 2009.

Case Documents

- November 25, 2008 - Notice of Pendency of Class Action and Proposed Settlement
- June 29, 2007 - Consolidated Amended Class Action Complaint