

Court Approves \$173 Million Settlement for Maxim Shareholders - Largest Backdating Recovery in Ninth Circuit

September 29, 2010

The United States District Court of the Northern District of California granted final approval to the \$173 million settlement obtained by Co-Lead Counsel BLB&G and Co-Lead Plaintiff Mississippi Public Employees' Pension Plan in the securities class action against high-tech semiconductor and circuitry designer Maxim Integrated Products, Inc. This settlement is the largest backdating recovery ever reached in the Ninth Circuit and the third-largest backdating settlement overall.

This action alleges that between 1997 and 2006, Maxim and its top executives materially overstated the company's net income and earnings by falsifying records and failing to properly account for compensation expenses by engaging in an unlawful backdating stock option scheme. According to the Complaint, the defendants concealed material compensation expenses by routinely backdating stock options to dates corresponding to historical lows in the Company's stock price, making it appear as though the valuable "in-the-money" options - awarded to its employees and outside directors - were granted "at-the-money."

As a result of the unlawful backdating practices, Maxim was forced to restate its financial statements from fiscal year 1997 through its fiscal third quarter ended March 25, 2006, and record hundreds of millions in additional stock-based compensation expense.