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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

In re CADENCE DESIGN SYSTEMS, INC.)	No. C-08-4966 SC
SECURITIES LITIGATION)	
<hr/>		<u>CLASS ACTION</u>
This Document Relates To:)	PROPOSED ORDER PRELIMINARILY
Case Nos. 08-4966 SC, 08-5027 SC)	APPROVING SETTLEMENT AND
and 08-5273 SC)	PROVIDING FOR NOTICE
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1 WHEREAS, a consolidated action is pending before this Court styled *In re Cadence Design*
2 *Systems, Inc. Securities Litigation*, No. C-08-4966 SC (the “Litigation”);

3 WHEREAS, the parties having made application, pursuant to Federal Rule of Civil
4 Procedure 23(e), for an order approving the settlement of this Litigation, in accordance with a
5 Stipulation of Settlement dated as of May 31, 2011 (the “Stipulation”), which, together with the
6 Exhibits annexed thereto, sets forth the terms and conditions for a proposed settlement of the
7 Litigation and for dismissal of the Litigation with prejudice upon the terms and conditions set forth
8 therein; and the Court having read and considered the Stipulation and the Exhibits annexed thereto;
9 and

10 WHEREAS, all defined terms herein have the same meanings as set forth in the Stipulation.

11 NOW, THEREFORE, IT IS HEREBY ORDERED:

12 1. The Court does hereby preliminarily approve the Stipulation and the settlement set
13 forth therein, subject to further consideration at the Settlement Hearing described below.

14 2. The Court hereby certifies a Class, for settlement purposes only, defined as: “all
15 Persons (other than those Persons who timely and validly request exclusion from the Class) who
16 purchased Cadence Publicly Traded Securities during the period from April 23, 2008 to December
17 10, 2008, inclusive, excluding the Defendants, members of the immediate family of the Individual
18 Defendants, the directors, officers, subsidiaries, and affiliates of Cadence, any person, firm, trust,
19 corporation, officer, director or other individual or entity in which any Defendant has a controlling
20 interest, and the legal representatives, affiliates, heirs, successors-in-interest or assigns of any such
21 excluded person.”

22
23 3. A hearing (the “Settlement Hearing”) shall be held before this Court on February 24,
24 2012, at 10:00 a.m., at the United States District Court for the Northern District of California, 450
25 Golden Gate Avenue, San Francisco, CA 94102, to determine whether the proposed settlement of the
26 Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and
27 adequate to the Class and should be approved by the Court; whether a Judgment as provided in ¶1.13

1 of the Stipulation should be entered; whether the proposed Plan of Allocation should be approved;
2 and to determine the amount of fees and expenses that should be awarded to Lead Counsel. The
3 Court may adjourn the Settlement Hearing without further notice to the Members of the Class.

4 4. The Court approves, as to form and content, the Notice of Proposed Settlement of
5 Class Action (the “Notice”), the Proof of Claim and Release form (the “Proof of Claim”), and
6 Summary Notice annexed as Exhibits A-1, A-2, and A-3 hereto and finds that the mailing and
7 distribution of the Notice and publishing of the Summary Notice substantially in the manner and
8 form set forth in ¶¶5-6 of this Order meet the requirements of Federal Rule of Civil Procedure 23
9 and due process, and is the best notice practicable under the circumstances and shall constitute due
10 and sufficient notice to all Persons entitled thereto.

11 5. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby appointed to
12 supervise and administer the notice procedure as well as the processing of claims as more fully set
13 forth below:

14 (a) The Claims Administrator shall make reasonable efforts to identify all Persons
15 who are Members of the Class and not later than December 2, 2011 (the “Notice Date”), the Claims
16 Administrator shall cause a copy of the Notice and the Proof of Claim, substantially in the forms
17 annexed as Exhibits A-1 and A-2 hereto, to be mailed by First-Class Mail to all Class Members who
18 can be identified with reasonable effort;

19 (b) Not later than December 12, 2011, the Claims Administrator shall cause the
20 Summary Notice to be published once in *Investor’s Business Daily*; and

21 (c) At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel
22 shall cause to be served on Defendants’ counsel and filed with the Court proof, by affidavit or
23 declaration, of such mailing and publishing.

1 6. Nominees who purchased Cadence Publicly Traded Securities for the beneficial
2 ownership of Class Members during the Class Period shall send the Notice and the Proof of Claim to
3 all beneficial owners of such Cadence Publicly Traded Securities within ten (10) days after receipt
4 thereof, or send a list of the names and addresses of such beneficial owners to the Claims
5 Administrator within ten (10) days of receipt thereof, in which event the Claims Administrator shall
6 promptly mail the Notice and Proof of Claim to such beneficial owners. Lead Counsel shall, if
7 requested, reimburse banks, brokerage houses or other nominees solely for their reasonable out-of-
8 pocket expenses incurred in providing notice to beneficial owners who are Class Members out of the
9 Settlement Fund, which expenses would not have been incurred except for the sending of such
10 notice, subject to further order of this Court with respect to any dispute concerning such
11 compensation.
12

13 7. All Members of the Class shall be bound by all determinations and judgments in the
14 Litigation concerning the settlement, whether favorable or unfavorable to the Class.
15

16 8. Class Members who wish to participate in the settlement shall complete and submit
17 Proofs of Claim in accordance with the instructions contained therein. Unless the Court orders
18 otherwise, all Proofs of Claim must be postmarked no later than ninety (90) days from the Notice
19 Date. Any Class Member who does not timely submit a Proof of Claim within the time provided for,
20 shall be barred from sharing in the distribution of the proceeds of the Settlement Fund, unless
21 otherwise ordered by the Court. Notwithstanding the foregoing, Lead Counsel may, in their
22 discretion, accept late-submitted claims for processing by the Claims Administrator so long as
23 distribution of the Net Settlement Fund is not materially delayed thereby.
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25 9. Any Member of the Class may enter an appearance in the Litigation, at their own
26 expense, individually or through counsel of their own choice. If they do not enter an appearance,
27 they will be represented by Lead Counsel.
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1 10. Any Person falling within the definition of the Class may, upon request, be excluded
2 from the Class. Any such Person must submit to the Claims Administrator a request for exclusion
3 (“Request for Exclusion”), postmarked no later than February 2, 2011. A Request for Exclusion
4 must state: (a) the name, address, and telephone number of the Person requesting exclusion; (b) each
5 of the Person’s purchases and sales of Cadence Publicly Traded Securities made during the Class
6 Period, including the dates of purchase or sale, the number of shares of common stock and/or notes
7 purchased and sold, and the price paid or received for each such purchase or sale; and (c) that the
8 Person wishes to be excluded from the Class. All Persons who submit valid and timely Requests for
9 Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation, shall
10 not share in the distribution of the Net Settlement Fund, and shall not be bound by the Stipulation or
11 the Judgment entered in the Litigation.
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13 11. Any Member of the Class may appear and show cause, if he, she or it has any, why
14 the proposed settlement of the Litigation should or should not be approved as fair, reasonable, and
15 adequate, why a judgment should or should not be entered thereon, why the Plan of Allocation
16 should or should not be approved, why attorneys’ fees and expenses should or should not be awarded
17 to counsel for the Lead Plaintiff; provided, however, that no Class Member or any other Person shall
18 be heard or entitled to contest such matters, unless that Person has delivered by hand or sent by First-
19 Class Mail written objections and copies of any papers and briefs such that they are received on or
20 before February 2, 2012, by Robbins Geller Rudman & Dowd LLP, Jeffrey D. Light, 655 W.
21 Broadway, Suite 1900, San Diego, CA 92101; Gibson, Dunn & Crutcher LLP, Ethan D. Dettmer,
22 555 Mission Street, Suite 3000, San Francisco, CA 94105, and filed said objections, papers, and
23 briefs with the Clerk of the United States District Court for the Northern District of California, on or
24 before February 2, 2012. Any Member of the Class who does not make his, her or its objection in
25 the manner provided shall be deemed to have waived such objection and shall forever be foreclosed
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1 from making any objection to the fairness or adequacy of the proposed settlement as set forth in the
2 Stipulation, to the Plan of Allocation, or to the award of attorneys' fees and expenses to counsel for
3 Lead Plaintiff, unless otherwise ordered by the Court.

4 12. All funds held by the Escrow Agent shall be deemed and considered to be in *custodia*
5 *legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such
6 funds shall be distributed pursuant to the Stipulation and/or further order(s) of the Court.
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8 13. All opening briefs and supporting documents in support of the settlement, the Plan of
9 Allocation, and any application by Lead Counsel for attorneys' fees and expenses shall be filed and
10 served fourteen (14) calendar days prior to the deadline for objections in ¶11. Replies to any
11 objections shall be filed and served seven (7) calendar days prior to the Settlement Hearing.

12 14. Neither the Defendants and their Related Parties nor the Defendants' counsel shall
13 have any responsibility for the Plan of Allocation or any application for attorneys' fees or expenses
14 submitted by Lead Counsel, and such matters will be considered separately from the fairness,
15 reasonableness, and adequacy of the settlement.
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17 15. At or after the Settlement Hearing, the Court shall determine whether the Plan of
18 Allocation proposed by Lead Counsel, and any application for attorneys' fees or payment of
19 expenses shall be approved.
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21 16. All reasonable expenses incurred in identifying and notifying Class Members, as well
22 as administering the Settlement Fund, shall be paid as set forth in the Stipulation. In the event the
23 settlement is not approved by the Court, or otherwise fails to become effective, neither Plaintiffs nor
24 any of their counsel shall have any obligation to repay any amounts incurred or properly disbursed
25 pursuant to ¶¶2.6 or 2.7 of the Stipulation.

26 17. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations
27 or proceedings connected with it, shall be construed as an admission or concession by the
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1 Defendants of the truth of any of the allegations in the Litigation, or of any liability, fault, or
2 wrongdoing of any kind.

3 18. The Court reserves the right to adjourn the date of the Settlement Hearing without
4 further notice to the Members of the Class, and retains jurisdiction to consider all further
5 applications arising out of or connected with the proposed settlement. The Court may approve the
6 settlement, with such modifications as may be agreed to by the Settling Parties, if appropriate,
7 without further notice to the Class.
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9 19. If the Stipulation and the settlement set forth therein is not approved or consummated
10 for any reason whatsoever, the Stipulation and settlement and all proceedings had in connection
11 therewith shall be without prejudice to the rights of the Settling Parties *status quo ante*.
12

13 IT IS SO ORDERED.

14 DATED: November 15, 2011
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16 THE HONORABLE SAMUEL CONTI
17 UNITED STATES DISTRICT JUDGE

18 Submitted by:

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20 & DOWD LLP
21 SHAWN A. WILLIAMS
22 JASON C. DAVIS
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s/ Jeffrey D. Light
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Lead Counsel for Plaintiffs

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