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\*\*E-Filed 10/23/2009\*\*

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

In re TRIDENT MICROSYSTEMS, INC., DERIVATIVE LITIGATION	)	Master File No. C06-3440-JF
This Document Relates To:	)	<del>PROPOSED</del> ORDER PRELIMINARILY
ALL ACTIONS.	)	APPROVING PARTIAL DERIVATIVE SETTLEMENT AND PROVIDING FOR NOTICE

1 WHEREAS, the Settling Parties have made application, pursuant to Federal Rule of Civil  
2 Procedure 23.1, for an order (i) preliminarily approving the proposed settlement (the "Settlement")  
3 of the above-captioned shareholder derivative action (the "Federal Derivative Action") and the  
4 related derivative action pending in the Superior Court of the State of California for the County of  
5 Santa Clara entitled *Limke v. Lin, et al.*, No. 1:07-cv-080390 (the "State Derivative Action")  
6 (collectively, the "Derivative Actions"), in accordance with a Stipulation of Partial Settlement, dated  
7 October 20, 2009, and the Exhibits thereto (the "Stipulation"), and (ii) approving for distribution of  
8 the Notice of Partial Derivative Settlement (the "Notice");

9 WHEREAS, the Stipulation sets forth the terms and conditions of the Settlement;

10 WHEREAS, the Settlement appears to be the product of serious, informed, non-collusive  
11 negotiations and falls within the range of possible approval;

12 WHEREAS, all capitalized terms contained herein shall have the same meanings as set forth  
13 in the Stipulation (in addition to those capitalized terms defined herein); and

14 WHEREAS, this Court, having considered the Stipulation and the Exhibits annexed thereto  
15 and having heard the arguments of the Settling Parties at the preliminary approval hearing:

16 NOW THEREFORE, IT IS HEREBY ORDERED:

17 1. This Court does hereby preliminarily approve, subject to further consideration at the  
18 Settlement Hearing described below, the Stipulation and the terms of the Settlement set forth therein.

19 2. A hearing (the "Settlement Hearing") shall be held before this Court on  
20 February 5, 2010 at 9:00 a.m. in Courtroom     of the United States District Court for the  
21 Northern District of California, San Jose Division, Robert F. Peckham Federal Building and United  
22 States Courthouse, 280 South First Street, San Jose, CA 95113, to determine whether:

23 (a) the terms and conditions of the Settlement provided for in the Stipulation are  
24 fair, reasonable, adequate, and in the best interests of Trident and current Trident shareholders; and

25 (b) an order and judgment as provided for in ¶1.9 of the Stipulation should be  
26 entered.

27 3. The Court approves, as to form and content, the Notice annexed as Exhibit A-1  
28 hereto, and finds that the filing of the Stipulation and publication of the Notice substantially in the

1 manner and form set forth in ¶4.2 of the Stipulation, meets the requirements of Federal Rule of Civil  
2 Procedure 23.1 and due process, is the best notice practicable under the circumstances, and shall  
3 constitute due and sufficient notice to all Persons entitled thereto of all matters relating to the  
4 Settlement.

5 4. Not later than ten (10) business days following entry of this Order, Trident shall cause  
6 the Stipulation and the Notice, substantially in the form annexed as Exhibit A-1 hereto, to be  
7 published on its website, such that visitors to the website home page will readily find a hyperlink to  
8 the Notice.

9 5. Not later than ten (10) business days following entry of this Order, Trident shall cause  
10 a copy of the Stipulation to be filed with the Securities and Exchange Commission via a Form 8-K.

11 6. Not later than ten (10) business days following entry of this Order, Trident shall cause  
12 a copy of the Notice, substantially in the form annexed as Exhibit A-1 hereto, to be published once  
13 in *Investor's Business Daily*.

14 7. All costs incurred in the filing of the Stipulation and publication of the Notice shall be  
15 paid by Trident and Trident shall undertake all administrative responsibility for filing the Stipulation  
16 and publication of the Notice.

17 8. At least fourteen (14) calendar days prior to the Settlement Hearing, Trident's counsel  
18 shall serve on Federal Co-Lead Counsel and file with the Court proof, by affidavit or declaration, of  
19 such filing of the Stipulation and publication of the Notice.

20 9. All current Trident shareholders shall be bound by all orders, determinations, and  
21 judgments in the Federal Derivative Action concerning the Settlement, whether favorable or  
22 unfavorable to current Trident shareholders.

23 10. Pending final determination of whether the Settlement should be approved, no current  
24 Trident shareholder shall commence or prosecute against any of the Individual Settling Defendants  
25 or their Related Persons any action or proceeding in any court or tribunal asserting any of the  
26 Released Claims.

27 11. All papers in support of the Settlement shall be filed with the Court and served at  
28 least seven (7) calendar days prior to the Settlement Hearing.

1           12. Any current record holders and beneficial owners of common stock of Trident as of  
2 February 5, 2010, ~~2009~~ may appear and show cause, if he, she or it has any reason why the terms of  
3 the Settlement should not be approved as fair, reasonable, and adequate, or why a judgment should  
4 not be entered thereon, provided, however, unless otherwise ordered by the Court, no current Trident  
5 shareholder shall be heard or entitled to contest the approval of all or any of the terms and conditions  
6 of the Settlement, or, if approved, the Federal Judgment to be entered thereon approving the same,  
7 unless that Person has, at least fourteen (14) days prior to the Settlement Hearing, filed with the  
8 Clerk of the Court at the address listed below and served on the following counsel (delivered by  
9 hand or sent by first class mail) appropriate proof of stock ownership, along with written objections,  
10 including the basis therefore, and copies of any papers and briefs in support thereof:

11                           Clerk of the Court  
12                           UNITED STATES DISTRICT COURT  
13                           NORTHERN DISTRICT OF CALIFORNIA  
14                           SAN JOSE DIVISION  
15                           Robert F. Peckham Federal Building  
                                  and United States Courthouse  
16                           280 South First Street  
                                  San Jose, CA 95113

17                           ***Counsel for Federal Plaintiffs***

18                           Jeffrey D. Light  
19                           COUGHLIN STOIA GELLER  
20                           RUDMAN & ROBBINS LLP  
21                           655 West Broadway, Suite 1900  
22                           San Diego, CA 92101-3301

23                           Eric L. Zagar  
24                           Robin Winchester  
25                           BARROWAY TOPAZ KESSLER  
26                           MELTZER & CHECK, LLP  
27                           280 King of Prussia Road  
28                           Radnor, PA 19087

***Counsel for State Plaintiff***

                                 Marc M. Umeda  
                                 ROBBINS UMEDA LLP  
                                 600 B Street, Suite 1900  
                                 San Diego, CA 92101

1 *Counsel for Trident by Its Special Litigation Committee*

2 John D. Pernick  
3 BINGHAM McCUTCHEN LLP  
4 Three Embarcadero Center, Suite 1800  
5 San Francisco, CA 94111-4066

6 Any current Trident shareholder who does not make his, her or its objection in the manner provided  
7 herein shall be deemed to have waived such objection and shall forever be foreclosed from making  
8 any objection to the fairness, reasonableness, or adequacy of the Settlement as incorporated in the  
9 Stipulation, unless otherwise ordered by the Court, but shall otherwise be bound by the Federal  
10 Judgment to be entered and the releases to be given.

11 13. The Court reserves the right to adjourn the date of the Settlement Hearing or modify  
12 any other dates set forth herein without further notice to current Trident shareholders, and retains  
13 jurisdiction to consider all further applications arising out of or connected with the Settlement. The  
14 Court may approve the Settlement, with such modifications as may be agreed to by the Settling  
15 Parties, if appropriate, without further notice to current Trident shareholders.

16 IT IS SO ORDERED.

17 DATED: October 23, 2009

  
18 THE HONORABLE JEREMY FOGEL  
19 UNITED STATES DISTRICT JUDGE

20 Submitted by,

21 COUGHLIN STOIA GELLER  
22 RUDMAN & ROBBINS LLP  
23 SHAWN A. WILLIAMS  
24 CHRISTOPHER M. WOOD  
25 100 Pine Street, Suite 2600  
26 San Francisco, CA 94111  
27 Telephone: 415/288-4545  
28 415/288-4534 (fax)

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RUDMAN & ROBBINS LLP  
TRAVIS E. DOWNS III  
JEFFREY D. LIGHT  
BENNY C. GOODMAN III

s/Jeffrey D. Light  
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11 Radnor, PA 19087  
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13 610/667-7056 (fax)

14 Co-Lead Counsel for Plaintiffs

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**EXHIBIT A-1**

1 COUGHLIN STOIA GELLER  
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12 Co-Lead Counsel for Plaintiffs

13 UNITED STATES DISTRICT COURT  
14 NORTHERN DISTRICT OF CALIFORNIA  
15 SAN JOSE DIVISION

16 In re TRIDENT MICROSYSTEMS, INC., )	Master File No. C06-3440-JF
DERIVATIVE LITIGATION )	
17 _____ )	NOTICE OF PARTIAL DERIVATIVE
18 This Document Relates To: )	SETTLEMENT
19 ALL ACTIONS. )	EXHIBIT A-1
20 _____ )	

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1 **TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS OF THE**  
2 **COMMON STOCK OF TRIDENT MICROSYSTEMS, INC. ("TRIDENT" OR**  
3 **THE "COMPANY") AS OF OCTOBER 20, 2009**

4 PLEASE TAKE NOTICE that the above-captioned shareholder derivative litigation (the  
5 "Litigation"), as well as the action in Santa Clara Superior Court entitled *Limke v. Lin, et al.*, Santa  
6 Clara Superior Court Case No. 1:07cv080390 (collectively, the "Derivative Actions"), are being  
7 settled with Glen Antle, Jung-Herng Chang, Shyur-Jen Paul Chien, Yasushi Chikagami, Charles  
8 Dickinson, John S. Edmunds, Richard Hegberg, Peter Jen, James Lindstrom, Gerry Liu, Leonard  
9 Liu, John Luke, Amir Mashkooi, Millard Phelps, W. Steven Rowe, and Richard Silverman on the  
10 terms set forth in a Stipulation of Partial Settlement dated October 20, 2009 (the "Stipulation").<sup>1</sup>  
11 The terms of the settlement set forth in the Stipulation (the "Settlement") include: (1) cash payments  
12 by certain Trident officers totaling \$1,744,909; (2) the waiver by certain Trident officers to claims  
13 against the Company with a value of \$2,232,847.97 as determined by the SLC; and (3) Trident's  
14 payment of Plaintiffs' Counsel's expenses in the amount of \$750,000.

15 IF YOU ARE A CURRENT OWNER OF TRIDENT COMMON STOCK, YOUR RIGHTS  
16 MAY BE AFFECTED BY PROCEEDINGS IN THE LITIGATION.

17 On \_\_\_\_\_, 2010, at 9:00 a.m., a hearing (the "Settlement Hearing") will be held  
18 before the United States District Court for the Northern District of California, San Jose Division,  
19 Robert F. Peckham Federal Building and United States Courthouse, 280 South First Street, San Jose,  
20 CA 95113, to determine: (1) whether the terms of the Settlement should be approved as fair,  
21 reasonable, and adequate; and (2) whether the Derivative Actions should be dismissed on the merits  
22 and with prejudice.

23 Any shareholder of Trident that objects to the Settlement of the Derivative Actions shall have  
24 a right to appear and to be heard at the Settlement Hearing, provided that he, she, or it was a

25 <sup>1</sup> This Notice should be read in conjunction with, and is qualified in its entirety by reference to,  
26 the text of the Stipulation, which has been filed with the Federal Court and on a Form 8K filed with  
27 the Securities and Exchange Commission. The Stipulation can also be viewed at  
28 [www.\\_\\_\\_\\_\\_.com](http://www._____.com). All capitalized terms herein have the same meanings as set forth in the  
Stipulation.

1 shareholder of record or beneficial owner as of October \_\_, 2009. Any shareholder of Trident who  
2 satisfies this requirement may enter an appearance through counsel of such shareholder's own  
3 choosing and at such shareholder's own expense or may appear on their own. However, no  
4 shareholder of Trident shall be heard at the Settlement Hearing unless no later than fourteen (14)  
5 days prior to the date of the Settlement Hearing, such shareholder has filed with the Court and  
6 delivered to Plaintiffs' Counsel and the Special Litigation Committee's counsel, a written notice of  
7 objection, their ground for opposing the Settlement, and proof of both their status as a shareholder  
8 and the dates of stock ownership in Trident. Only shareholders who have filed and delivered valid  
9 and timely written notices of objection will be entitled to be heard at the Settlement Hearing unless  
10 the Court orders otherwise.

11 If you wish to object to the Settlement, you must file a written objection setting forth the  
12 grounds for such an objection with the Court at the address below on or before \_\_\_\_\_, 2009,  
13 with service on the following parties on or before \_\_\_\_\_, 2009:

14 Clerk of the Court  
15 UNITED STATES DISTRICT COURT  
16 NORTHERN DISTRICT OF CALIFORNIA  
17 SAN JOSE DIVISION  
18 Robert F. Peckham Federal Building  
and United States Courthouse  
280 South First Street  
San Jose, CA 95113

19 ***Counsel for Federal Plaintiffs***

20 Jeffrey D. Light  
21 COUGHLIN STOIA GELLER  
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22 Eric L. Zagar  
23 Robin Winchester  
24 BARROWAY TOPAZ KESSLER  
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25 Radnor, PA 19087

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***Counsel for State Plaintiff***

Marc M. Umeda  
ATTN: Client Relations Department  
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San Diego, CA 92101

***Counsel for Trident by Its Special Litigation Committee***

John D. Pernick  
BINGHAM McCUTCHEN LLP  
Three Embarcadero Center, Suite 1800  
San Francisco, CA 94111-4066

Inquiries may be made to Plaintiffs' Counsel: Rick Nelson, c/o Shareholder Relations,  
Coughlin Stoia Geller Rudman & Robbins LLP, 655 West Broadway, Suite 1900, San Diego, CA  
92101; telephone 619-231-1058.

DATED \_\_\_\_\_, 2009

BY ORDER OF THE COURT  
UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

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1 CERTIFICATE OF SERVICE

2 I hereby certify that on October 21, 2009, I electronically filed the foregoing with the Clerk  
3 of the Court using the CM/ECF system which will send notification of such filing to the e-mail  
4 addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have  
5 mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF  
6 participants indicated on the attached Manual Notice List.

7 I certify under penalty of perjury under the laws of the United States of America that the  
8 foregoing is true and correct. Executed on October 21, 2009.

9  
10 s/Jeffrey D. Light  
JEFFREY D. LIGHT

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## Mailing Information for a Case 5:06-cv-03440-JF

### Electronic Mail Notice List

The following are those who are currently on the list to receive e-mail notices for this case.

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- **Eric L. Zagar**  
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### Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

J. Daniel Albert  
Barroway Topaz Kessler Maltzer & Check, LLP  
280 King of Prussia Road  
Radnor, PA 19087

## Manual Service List

- \* John D. Pernick  
BINGHAM McCUTCHEN LLP  
Three Embarcadero Center, Suite 1800  
San Francisco, CA 94111-4066  
Telephone: 415/393-2000  
415/393-2286 (fax)

\*Denotes service via overnight delivery