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United States District Court  
For the Northern District of California

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

In Re KLA-Tencor Corp. Shareholder  
Derivative Action

NO. C 06-03445 JW

**ORDER SEALING THE COURT’S  
DECEMBER 12, 2008 ORDER;  
GRANTING DEFENDANT  
SCHROEDER’S MOTION TO CORRECT**

Presently before the Court is the issue of whether the Court should publish in full its December 12, 2008 Order Denying the Special Litigation Committee’s Motion to Terminate and Dismiss the Amended Consolidated Complaint and to Approve Settlements with Certain Individual Defendants.<sup>1</sup> In its December 12 Order, the Court ordered the parties to file briefs addressing whether, in light of prior orders granting various motions to file documents under seal,<sup>2</sup> an unredacted version of the Order should be published. (December 12 Order at 9.) The parties have filed their respective responses pursuant to the Court’s Order.<sup>3</sup> In addition to filing a response, Defendant Schroeder seeks a correction of a statement attributed to him in the unredacted Order.<sup>4</sup>

<sup>1</sup> (hereafter, “December 12 Order,” Docket Item No. 484.) The parties were provided with the unredacted Order (“Unredacted Order”).

<sup>2</sup> On April 18, 2008, the Court granted various administrative motions to file documents under seal in connection with the Special Litigation Committee’s (“SLC”) Motion to Terminate. (See April 18, 2008 Order, hereafter, “April 18 Order,” Docket Item No. 201.)

<sup>3</sup> (See Plaintiff’s Response to the Court’s December 12, 2008 Order to Show Cause at 1, hereafter, “Plaintiff’s Response,” Docket Item No. 488; KLA-Tencor Corporation’s Response to Order to Show Cause Why The Court’s December 12, 2008 Order Should Not Be Published at 1, hereafter, “Defendant KLA’s Response,” Docket Item No. 489.)

<sup>4</sup> (See Defendant Kenneth L. Schroeder’s Request for Correction to the Order and Objection to Publication of Unredacted Order, hereafter, “Schroeder Motion,” Docket Item No. 487.)

1 With respect to Plaintiffs’ contention that the unredacted December 12 Order should be  
2 published in full, the Court finds that in granting Defendants’ various motions to seal, it has properly  
3 balanced the competing interests of the public’s desire for access with the Defendants’ need to keep  
4 certain records secret. See Kamakana v. City & County of Honolulu, 447 F.3d 1172, 1179 (9th Cir.  
5 2006). The Court granted the various motions to seal documents on the ground that the documents  
6 to be sealed contained detailed information about the SLC’s investigation, including confidential  
7 information about individual Defendants’ compensation and confidential settlement agreements, and  
8 that KLA has an interest in protecting the confidentiality of the Company’s internal processes.  
9 (April 18 Order at 2.) Thus, contrary to Plaintiffs’ contention, the April 18 Order was not based on  
10 the discovery stay in a separate securities class action. The purpose for allowing the documents to  
11 be sealed has not been vitiated by the settlement of a separate securities class action or by the  
12 Court’s denial of the SLC’s Motion to Terminate. Accordingly, the unredacted version of the  
13 December 12 Order shall be filed under seal by the order of the Court.

14 With respect to Defendant Schroeder’s motion, Schroeder moves to correct what he contends  
15 is a misstatement contained in the unredacted version of the Court’s December 12 Order.  
16 (Schroeder Motion at 6.) On page 8, lines 7 and 8, of the Court’s unredacted December 12 Order,  
17 the Court attributes two emails to Schroeder. However, the record shows that Schroeder was not the  
18 author of the first email cited by the Court. Thus, the Court finds that Schroeder has correctly  
19 identified a misstatement by the Court and grants the motion to correct the misstatement in the  
20 December 12 Order. Accordingly, the Court strikes the sentence on page 8, lines 7 and 8, of the  
21 December 12 Order and replaces it with, “Schroeder responded on January 27 with an email, stating,  
22 ‘OK for the price on 1/24.’”<sup>5</sup>

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27 <sup>5</sup> Although this quote is taken from an exhibit submitted under seal, the Court finds that its  
28 publication in this Order, for the purposes of correcting the misstatement, is necessary.

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The Clerk of Court shall file under seal the Unredacted December 12 Order.

Dated: January 5, 2009

  
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JAMES WARE  
United States District Judge

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

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23 **Dated: January 5, 2009**

**Richard W. Wieking, Clerk**

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By:           /s/ JW Chambers            
**Elizabeth Garcia**  
**Courtroom Deputy**