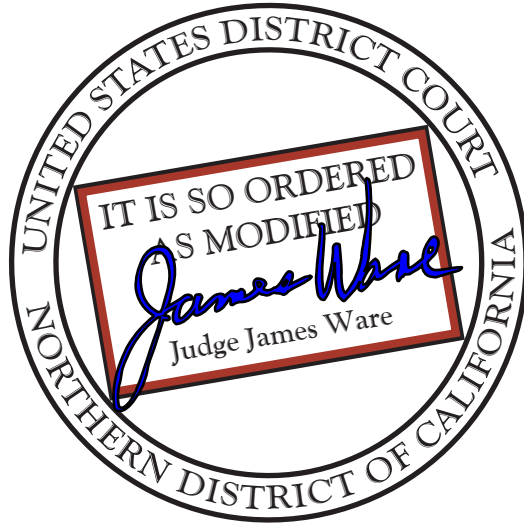


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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

In re KLA-TENCOR CORP.
SHAREHOLDER DERIVATIVE
LITIGATION

) No. C-06-03445-JW
)
) PLAINTIFF AND KLA-TENCOR CORP.'S
) FOURTH STATUS REPORT REGARDING
) SETTLEMENT AND [~~PROPOSED~~] ORDER
) FURTHER EXTENDING THE DATE FOR
) FILING AN AMENDED COMPLAINT

This Document Relates To:

ALL ACTIONS.

1 Pursuant to the Court's November 23, 2009 Stipulation and Order Extending the Date for
2 Filing an Amended Complaint (the "Stipulated Order"), Lead Plaintiff and Nominal Defendant
3 KLA-Tencor Corporation ("KLA") hereby submit this Fourth Status Report Regarding Settlement
4 and [Proposed] Order Further Extending the Date for Filing an Amended Complaint.

5 As previously reported, on October 16, 2009, Lead Plaintiff, KLA, insurance carriers and
6 certain of the individual defendants participated in a 14-hour mediation session with Hon. Layn
7 Phillips (ret.) in New York, which led to an initial mediator's recommendation and requested
8 acceptance date of October 27, 2009. Although Judge Phillips' initially proposed resolution was not
9 agreed to by all parties, it served to substantially narrow the issues in dispute between the remaining
10 parties.

11 Since then, the parties have engaged in further discussions and additional agreements in
12 principle have been reached with respect to certain aspects of a potential settlement of this action.
13 Judge Phillips conducted further mediation sessions with certain of the parties and principals on
14 November 19, 2009. Through that session and continued discussion since then certain of the parties
15 have reached additional agreements in principle. Lead Plaintiff and KLA-Tencor have exchanged
16 and are discussing proposed documentation that would, if accepted by all parties and approved by
17 the Court, accomplish the settlement of claims as to most of the defendants, and discussions are
18 continuing as to whether the remaining claims can be settled. Judge Phillips has requested that the
19 parties continue to maintain the status quo and that the parties continue their discussions in a further
20 concerted effort to reach agreement.

21 Accordingly, KLA-Tencor and Lead Plaintiff respectfully request an extension of the
22 deadline for the filing of lead plaintiff's amended complaint to December 22, 2009 and additionally
23 request that the status conference currently scheduled for December 14, 2009 be held on
24 December 21, 2009, and that a further status report be submitted to the Court on January 4, 2010.
25 Judge Philips has indicated that he is available to discuss this matter further with the Court, should
26 the Court so desire.

27 ///

28 ///

1 DATED: December 8, 2009

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
SHAWN A. WILLIAMS
CHRISTOPHER M. WOOD

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/s/

SHAWN A. WILLIAMS
100 Pine Street, Suite 2600
San Francisco, CA 94111
Telephone: 415/288-4545
415/288-4534 (fax)

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COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
TRAVIS E. DOWNS III
BENNY C. GOODMAN III
LUCAS F. OLTS
655 West Broadway, Suite 1900
San Diego, CA 92101-3301
Telephone: 619/231-1058
619/231-7423 (fax)

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Lead Counsel for Plaintiffs

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DATED: December 8, 2009

MORGAN, LEWIS & BOCKIUS LLP
JOSEPH E. FLOREN
JOHN H. HEMANN

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16

17

/s/

JOSEPH E. FLOREN

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Spear Street Tower
One Market Plaza, 23rd Floor
San Francisco, CA 94105
Telephone: 415/442-1000
415/442-1001 (fax)

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Attorneys for KLA-Tencor Corp.

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I, Joseph E. Floren, am the ECF User whose ID and password are being used to file this Plaintiff and KLA-Tencor Corp.'s Status Report Regarding Settlement and [Proposed] Order Further Extending the Date for Filing an Amended Complaint. In compliance with General Order 45, X.B., I hereby attest that Shawn Williams has concurred in this filing.

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DATED: December 8, 2009

/s/ Joseph E. Floren

JOSEPH E. FLOREN

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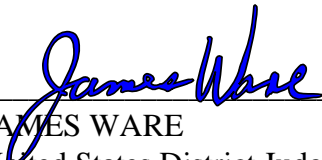
* * *

ORDER

The deadline for filing of Lead Plaintiff's amended complaint shall be extended until December 22, 2009 .

In light of the parties' settlement efforts, the Court continues the December 21, 2009 Status Conference to **January 25, 2010 at 10 a.m.** On or before **January 15, 2010**, the parties shall file a Joint Status Statement. The Statement shall update the Court on the parties' settlement efforts. If no settlement is achieved by **January 15, 2010**, in their Joint Statement, the parties shall provide proposed schedules to advance this 2006 case.

Dated: December 9, 2009



JAMES WARE
United States District Judge