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12 Lead Counsel for Plaintiffs

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

16 In re KLA-TENCOR CORP. SHAREHOLDER) 17 DERIVATIVE LITIGATION) 18 _____) 19 This Document Relates To:) 20 ALL ACTIONS.) 21 _____)	No. C-06-03445-JW PLAINTIFF AND KLA-TENCOR CORP.'S FIFTH STATUS REPORT REGARDING SETTLEMENT, REQUEST FOR PRELIMINARY APPROVAL HEARING DATE AND [PROPOSED] ORDER
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1 Pursuant to the Court's December 9, 2009 stipulation and order extending the date for filing
2 an amended complaint, lead plaintiff and nominal defendant KLA-Tencor Corporation ("KLA")
3 hereby submit this Fifth Status Report Regarding Settlement, Request for Preliminary Approval
4 Hearing Date and [Proposed] Order.

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' initial 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, Judge Phillips and the parties have conducted further settlement negotiations,
12 including a formal mediation session with certain parties and principals on November 19, 2009, and
13 several telephonic settlement conferences and discussions. As a result of these active and extensive
14 settlement efforts, additional agreements in principle have been reached with respect to certain
15 aspects of a potential settlement of this action between lead plaintiff, KLA and certain other parties.
16 Discussions are continuing as to whether the remaining claims can be settled.

17 Lead plaintiff and KLA have exchanged and are discussing proposed documentation that
18 would, if accepted by all parties and approved by the Court, accomplish the settlement of claims as
19 to most of the defendants. As such, lead plaintiff and KLA currently anticipate being in a position to
20 seek preliminary approval of the proposed settlement of the claims as to most of the defendants in
21 January 2010. To facilitate these efforts, Judge Phillips has requested that the parties continue to
22 maintain the status quo and that the parties continue their discussions in an effort to reach a complete
23 resolution of the action.

24 Accordingly, KLA and lead plaintiff respectfully request: (i) an extension of the deadline for
25 the filing of lead plaintiff's amended complaint to January 29, 2010; and (ii) that a portion of the
26 Case Management Conference currently scheduled on January 25, 2010, be set aside for
27 consideration of whether preliminary approval of the proposed settlement should be granted. Judge
28 Philips has indicated that he is available to discuss this matter further with the Court, should the

1 Court so desire.

2 DATED: December 21, 2009

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15 DATED: December 21, 2009

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/s/

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Attorneys for KLA-Tencor Corp.

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

DATED: December 21, 2009

/s/ Shawn A. Williams

SHAWN A. WILLIAMS

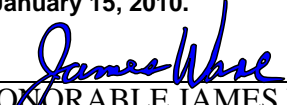
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ORDER

The deadline for filing of lead plaintiff's amended complaint shall be extended until January 29, 2010. At the Case Management Conference currently scheduled on January 25, 2010, the Court will also take up consideration of whether preliminary approval of the proposed settlement should be granted. The parties shall file a joint statement on or before **January 15, 2010**.

DATED: January 12, 2010



THE HONORABLE JAMES WARE
UNITED STATES DISTRICT JUDGE

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Mailing Information for a Case 1:09-ml-06000-SEB-DML

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- (No manual recipients)