

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA**

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TODD SIMON, individually and on) behalf of all others similarly situated,))
Plaintiff,)
)
vs.)
)
SAWTEK, INC., KIMON) ANEMOGIANNIS, GARY A.) MONETTI and RAYMOND A.) LINK,)))
Defendants.)
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PLAINTIFF’S CLASS ACTION COMPLAINT

Plaintiff, by his attorneys, for his Class Action Complaint, alleges the following upon personal knowledge as to himself and his own acts, and upon information and belief based upon the investigation of plaintiff’s attorneys as to all other matters. The investigation includes the thorough review and analysis of public statements, publicly filed documents of Sawtek, Inc. (“Sawtek” or the “Company”), press releases, news articles and the review and analysis of accounting rules and related literature. Plaintiff believes that further substantial evidentiary support will exist for the allegations set forth below after a reasonable opportunity for discovery.

SUMMARY OF ACTION

1. This is a securities class action on behalf of public investors who purchased the common stock of Sawtek during the period from January 27, 2000 to May 24, 2001 inclusive (the "Class Period").

2. Sawtek is a Florida corporation which was incorporated in 1979. Sawtek designs, develops, manufactures and markets a broad range of electronic signal processing components, based on “surface acoustic wave” or SAW technology, primarily for use in the wireless communications industry. The Company’s primary products are custom-designed, high performance bandpass filters, resonators, oscillators and SAW-based subsystems. In July 2001, Sawtek merged with, and became a wholly owned subsidiary of, TriQuint Semiconductor, Inc. (“TriQuint”).
3. Throughout the Class Period, defendants misrepresented Sawtek’s financial performance by improper “channel stuffing” – inflating revenue by shipping more products than distributors could sell – and by disseminating false and misleading statements concerning the Company’s revenue and business prospects despite a widespread downturn in the wireless and telecommunications markets.
4. Sawtek’s actual financial performance was revealed on May 23, 2001, when defendants’ acknowledged that the Company’s projected results for the quarter ending June 30, 2001, would fall well below the Company’s previously issued revenue guidance.
5. This case involves defendants' material omissions and the dissemination of materially false and misleading statements concerning Sawtek’s revenue and earnings. These misleading statements and omissions drove Sawtek’s stock price to a Class Period high of \$88.12 on February 14, 2000, during which time defendants were manipulating the Company’s financial performance by improperly stuffing Sawtek’s distribution channel, to \$23.39 per share on May 24, 2001, one day after defendants

sharply reduced Sawtek's previous earnings guidance. Defendants' manipulation of Sawtek's financial results through channel stuffing and the Company's misleading earnings guidance during the Class Period artificially inflated the Company's earnings and stock price and acted as a fraud on the market, while the Class has been damaged thereby.

JURISDICTION AND VENUE

6. The claims asserted arise under §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act" or the "1934 Act"). Jurisdiction is conferred by §27 of the 1934 Act. Venue is proper pursuant to §27 of the 1934 Act as the corporate headquarters of defendant Sawtek are located in this district and many of the acts complained of occurred in this district.

THE PARTIES

7. Plaintiff Todd Simon purchased Sawtek publicly traded securities as detailed in the attached Certification and was damaged thereby.
8. Sawtek is a Florida corporation with its principal headquarters located in this district. Sawtek common stock, at all relevant times has been publicly traded on the open market. Its common stock was listed on the Nasdaq National Market ("Nasdaq"). The market for Sawtek common stock was efficient and quickly reflected all publicly available information.
9. Defendant Gary A. Monetti was Sawtek's Chief Executive Officer from October 1, 1999 until November 14, 2000, and a director of Sawtek.

10. Defendant Kimon Anemogiannis was, after November 14, 2000, and at times relevant hereto, President and Chief Executive Officer of Sawtek.
11. Defendant Raymond A. Link was, at all times relevant hereto, Senior Vice President-Finance, Treasurer and Chief Financial Officer of Sawtek.
12. Defendants Anemogiannis, Monetti and Link are referred to collectively herein as the “Individual Defendants.”
13. Because of the Individual Defendants' positions with the Company, they had access to the adverse undisclosed information about the Company's business, operations, operational trends, financial statements, markets, and present and future business prospects via access to internal corporate documents (including the Company's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith.
14. It is appropriate to treat the Individual Defendants as a group for pleading purposes and to presume that the false, misleading and incomplete information conveyed in the Company's public filings, press releases and other publications as alleged herein are the collective actions of the narrowly defined group of defendants identified above. Each of the above officers of Sawtek, by virtue of their high-level positions with the Company, directly participated in the management of the Company, was directly involved in the day-to-day operations of the Company at the highest levels and was privy to confidential proprietary information concerning the Company and its

business, operations, growth, financial statements and financial condition, as alleged herein. Said defendants were involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein, were aware, or recklessly disregarded, that the false and misleading statements were being issued regarding the Company, and approved or ratified these statements, in violation of the federal securities laws.

15. As officers and controlling persons of a publicly held company whose common stock was registered with the Securities and Exchange Commission (“SEC”) pursuant to the Exchange Act, and was traded on the Nasdaq and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty to disseminate promptly, accurate and truthful information with respect to the Company's financial condition and performance, growth, operations, financial statements, business, markets, management, earnings and present and future business prospects, and to correct any previously issued statements that had become materially misleading or untrue, so that the market price of the Company's publicly traded securities would be based upon truthful and accurate information. The Individual Defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.
16. The Individual Defendants participated in the drafting, preparation and/or approval of the various public and shareholder and investor reports and other communications complained of herein and were aware of, or recklessly disregarded, the misstatements contained therein and omissions therefrom, and were aware of their materially false

and misleading nature. Because of their Board membership and/or executive and managerial positions with Sawtek, each of the Individual Defendants had access to the adverse undisclosed information about Sawtek's business operations and financial condition and performance as particularized herein and knew (or recklessly disregarded) that these adverse facts rendered the positive representations, made by or about Sawtek and its business, issued or adopted by the Company materially false and misleading.

17. The Individual Defendants, because of their positions of control and authority as officers and/or directors of the Company, were able to and did control the content of the various SEC filings, press releases and other public statements pertaining to the Company during the Class Period. Each Individual Defendant was provided with copies of the documents alleged herein to be misleading prior to or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the representations contained therein.
18. Each of the defendants is liable as a participant in a fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Sawtek common stock by disseminating materially false and misleading statements and/or concealing material adverse facts. The scheme deceived the investing public regarding Sawtek's business, operations, management and the intrinsic value of Sawtek common stock and caused plaintiff and other members of the Class to purchase Sawtek securities

at artificially inflated prices. Because of the Individual Defendants' positions with the Company, they had access to the adverse undisclosed information about the Company's business, operations, operational trends, financial statements, markets and present and future business prospects via access to internal corporate documents (including the Company's operating plans, budgets and forecasts and reports of actual operations compared thereto), conversations and connections with other corporate officers and employees, attendance at management and Board of Directors meetings and committees thereof and via reports and other information provided to them in connection therewith.

19. Each of the Individual Defendants and Sawtek are liable in that they inflated the price of Sawtek stock by making false and misleading statements and omitting material adverse information. The defendants' wrongful course of business (i) artificially inflated the price of Sawtek's stock during the Class Period; (ii) deceived the investing public, including plaintiff and other Class members, into acquiring Sawtek's securities at artificially inflated prices; and (iii) permitted Sawtek to grow and benefit economically from the wrongful course of conduct.

SUBSTANTIVE ALLEGATIONS

20. During the class period, Sawtek designed, developed, manufactured and marketed a broad range of electronic signal processing components based on SAW -- "surface acoustic wave" -- technology, primarily for use in the wireless communications industry.

Defendants' Misleading Statements During The Class Period

21. On January 27, 2000, the first day of the Class Period, Sawtek disseminated a press release titled "Sawtek Announces Record Net Sales and Profit for the Quarter Ended December 31, 1999." The press release included a statement by defendant Monetti. The press release, touting "record net sales, net income and earnings per share" stated in part:

Sawtek Announces Record Net Sales and Profit for the Quarter Ended December 31, 1999

(BUSINESS WIRE)--Jan. 27, 2000--Sawtek Inc.(Nasdaq:SAWS) today reported record net sales, net income and earnings per share for the quarter ended December 31, 1999. Net sales of \$31.8 million for the quarter are up 43% compared to net sales of \$22.2 million for the quarter ended December 31, 1998. Net income of \$10.2 million, or \$0.23 per diluted share for the quarter is up 61% compared to \$6.3 million, or \$0.15 per diluted share for the same quarter of the previous year.

Gary A. Monetti, Chief Executive Officer, stated, "The increase in net sales was a result of increased shipments of bandpass filters for CDMA digital wireless phones, including approximately \$2.4 million of shipments of SAW RF filters. Sawtek began shipments of SAW RF filters in the quarter ended December 31, 1999. Net income and diluted earnings per share increased from last year due to the higher net sales and higher than expected gross profit margin of 57.6%. The gross margin was higher than expected due to better than planned yields on new products."

22. On February 10, 2000, Sawtek filed with the SEC its Form 10-Q for the quarter ended December 31, 1999. It was signed by defendant Link. In the Form 10-Q, Sawtek repeated the financial results reported in the January 27, 2000, press release. The 10-Q stated that the financial statements contained therein "reflect all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the Company's financial position. ..." This statement was included in all Form 10-Qs discussed herein.

23. Defendants knew or recklessly disregarded that the description of the Company's financial performance in the January 27, 2000, press release and the February 10, 2000, Form 10-Q was false and misleading because it fails to disclose that the results were partially the result of defendants improperly stuffing the distribution channel.
24. On April 12, 2000, Sawtek disseminated a press release titled "Sawtek Announces Record Financial Results for Quarter Ended March 31, 2000." The press release included a statement by defendant Monetti and stated in pertinent part:

Sawtek Announces Record Financial Results for Quarter Ended March 31, 2000

(BUSINESS WIRE)--April 12, 2000--Sawtek Inc. (Nasdaq:SAWS) today reported record net sales, record net income, and record earnings per share for the quarter ended March 31, 2000.

Net sales of \$37.6 million for the quarter are up 60% compared to net sales of \$23.5 million for the quarter ended March 31, 1999, and are up 18% compared to net sales of \$31.8 million for the quarter ended December 31, 1999. Net income of \$12.6 million, or \$0.29 per share, diluted, is up 80% for the quarter compared to \$7.0 million, or \$0.17 per share, diluted, for the same quarter of the previous year. The net sales, net income, and earnings per share for the quarter are the highest ever for a quarter in Sawtek's 21-year history. Net income for the six months ended March 31, 2000 of \$22.8 million, or \$0.52 per share, diluted, compares to \$13.3 million, or \$0.31 per share, diluted, for the same period last year. Net sales for the six-month period ended March 31, 2000, of \$69.4 million compares to \$45.7 million for the same period last year.

Gary A. Monetti, Chief Executive Officer, stated, "The outstanding results reported today are consistent with the pre-release of our results on April 5, 2000. The record net sales is a direct result of the successful expansion of our product line to include RF filters and GSM IF filters for digital wireless phones, a significant increase in shipments of filters for wireless LAN and Internet infrastructure, and strong demand for our filters for both CDMA and GSM base stations. Our record net income was due to our strong sales and our much higher-than-expected gross profit margin of 60.3%. The higher-than-expected gross profit margin was attributed to higher yields on new products, a favorable product mix, a continued shift of more production to our low-cost, highly automated production facility in Costa Rica, and

continued favorable pricing. Based on the trends we are seeing, I believe that the outlook for Sawtek continues to be very favorable."

25. On April 19, 2000, Sawtek filed with the SEC its Form 10-Q for the quarter ended March 30, 2000. The Form 10-Q was signed by defendant Link. In it, Sawtek repeated the financial results reported in the April 12, 2000 press release.
26. Defendants knew or recklessly disregarded that the April 12, 2000 press release and the April 19, 2000, Form 10-Q were false and misleading because they failed to disclose that the Company was artificially inflating its financial performance by improperly stuffing the distribution channel.
27. On July 13, 2000, Sawtek announced the Company's financial results for the quarter ended June 30, 2000, in a publicly disseminated press release. The press release included a statement by defendant Monetti and stated in part:

Sawtek Announces Record Financial Results for Quarter Ended June 30, 2000

(BUSINESS WIRE)--July 13, 2000--Sawtek Inc. (Nasdaq:SAWS) today reported record net sales, record net income, and record earnings per share for the quarter ended June 30, 2000.

Net sales of \$44.1 million for the quarter are up 69% compared to net sales of \$26.0 million for the quarter ended June 30, 1999, and are up 17% compared to net sales of \$37.6 million for the quarter ended March 31, 2000. Net income of \$14.9 million, or \$0.34 per share, diluted, is up 83% for the quarter compared to \$8.1 million, or \$0.19 per share, diluted, for the same quarter of the previous year. The net sales, net income, and earnings per share for the quarter are the highest ever for a quarter in Sawtek's 21-year history. Net income for the nine months ended June 30, 2000 of \$37.7 million, or \$0.86 per share, diluted, compares to \$21.5 million, or \$0.50 per share, diluted, for the same period last year. Net sales for the nine-month period ended June 30, 2000, of \$113.5 million compares to \$71.8 million for the same period last year.

Gary A. Monetti, Chief Executive Officer, stated, "The outstanding results reported today are due to our successful expansion of our product line to include RF

filters and GSM IF filters for digital wireless phones, a significant increase in shipments of filters for data communications and broadband access, a strong demand for our filters for both CDMA and GSM base stations, and a strong demand for our CDMA IF filters for handsets. Our record net income was due to our strong sales and a higher-than-expected gross profit margin of 60.2%. The higher-than-expected gross profit margin was attributed to higher-than-expected sales of base station filters, higher yields, and a continued shift of more production to our low-cost, highly automated production facility in Costa Rica. Based on the trends we are seeing, I believe that the outlook for Sawtek continues to be strong."

28. On July 17, 2000, Sawtek filed with the SEC its Form 10-Q for the quarter ended September 30, 1999. The Form 10-Q was signed by defendant Link. In it, Sawtek repeated the financial results reported in the July 13, 2000 press release.
29. Defendants knew or recklessly disregarded that the results described in the July 13, 2000, press release and the July 17, 2000, Form 10-Q were false and misleading because the Company's financial performance was artificially inflated by channel stuffing.
30. On Oct. 26, 2000, Sawtek issued a press release titled, "Sawtek Announces Record Revenue and Profit for Quarter and Year Ended September 30, 2000; Revenue Up 62%; Pro-Forma Net Income Up 101% for the Quarter." The press release included a statement by defendant Monetti and stated in pertinent part:

Sawtek Announces Record Revenue and Profit for Quarter and Year Ended September 30, 2000; Revenue Up 62%; Pro-Forma Net Income Up 101% for the Quarter

(BUSINESS WIRE)--Oct. 26, 2000--Sawtek Inc. (Nasdaq:SAWS) today reported record revenue, net income and earnings per share for the quarter and year ended September 30, 2000.

Net income of \$41.6 million, or \$0.95 per diluted share, for the quarter includes a one-time gain of \$23.1 million attributed to a change in estimate for the accounting for income taxes for the Company's Costa Rica subsidiary. Exclusive of this one-time

gain, net income for the quarter ended September 30, 2000, on a pro-forma basis is \$18.5 million, or \$0.42 per diluted share, which is up 101% compared to \$9.2 million, or \$.21 per diluted share, for the same quarter of the previous year. Net income for the year ended September 30, 2000 of \$79.3 million, or \$1.82 per diluted share, includes a one-time gain of \$16.7 million attributed to a change in estimate for the accounting for income taxes for the Company's Costa Rica subsidiary. Exclusive of this one-time gain, net income of \$62.6 million, or \$1.43 per diluted share, is up 104% compared to \$30.7 million, or \$.72 per diluted share, for last fiscal year. Revenue of \$46.3 million for the quarter is up 62% compared to revenue of \$28.5 million for the same quarter last year. Revenue for the full year of \$159.8 million is up 59% compared to \$100.3 million last fiscal year. The revenue, net income, and earnings per share for the current quarter and year are the highest ever for any period in Sawtek's 21-year history.

Comments from Sawtek's Chief Executive Officer

Gary A. Monetti, Chief Executive Officer, stated, "The outstanding results reported today, for both the fourth quarter and the fiscal year, are a direct result of the successful implementation of our strategy to dominate our core markets, expand our handset product offerings and target new emerging markets for our technology. The diversity of our product portfolio continues to be our strength. Sales of products for CDMA and GSM base stations grew in excess of 40% this year, reflecting our dominant position in this market and the global expansion of network capacity, particularly in support of data-enabled systems. Revenue from handset products also grew an impressive 70% from last year. In addition to strong sales of CDMA IF handset filters, we successfully introduced new IF filters for GSM handsets and many new RF filter products for CDMA, GSM and TDMA phones. Together, these new products contributed nearly \$20 million to our annual revenue. The growth in sales of products for our emerging markets was even more extraordinary. Sales of filters for data communications and broadband access applications grew 140% and 300%, respectively this year, and we believe that these products will continue to be an important part of Sawtek's growth in the future. We are pleased with our results this past year and believe that the outlook for the company remains strong as our new products continue to gain acceptance."

Business Outlook 2001

We believe that growth will continue in the overall wireless and communications market for fiscal year 2001 and that Sawtek will continue to benefit from this growth. We are projecting our revenue to grow between 25% and 35% for fiscal 2001 and net income, exclusive of the one-time tax gains in fiscal 2000, to grow at approximately the same rate as the growth in revenue. Revenue growth is projected to come largely from increased sales of new products for handsets, data communications and

broadband access as well as continued strength in demand for our core products, including filters for base stations and wireless phones.

31. On November 13, 2000, Sawtek filed with the SEC its Form 10-K for the fiscal year ended September 30, 2000. The Form 10-K was signed by defendants Link and Monetti. In it, Sawtek repeated the financial results reported in the October 26, 2000, press release.
32. In fact, defendants knew or recklessly disregarded that the results reported in the October 26, 2000 press release and the November 13, 2000, 10-Q were false and misleading because the Company's financial performance was artificially inflated by improperly stuffing the distribution channel.
33. On January 25, 2001, Sawtek disseminated a press release titled "Sawtek Announces Record Revenue and Profit for Quarter Ended December 31, 2000 -- Revenue Up 50%; Earnings Per Share Doubles From Last Year." Although it touts "record revenue, net income and earnings per share," the press release forecast little revenue change from the previous year, partially the result of the Company's overstuffed distribution channel. The press release included a statement by defendant Anemogiannis and stated in pertinent part:

Sawtek Announces Record Revenue and Profit for Quarter Ended December 31, 2000 -- Revenue Up 50%; Earnings Per Share Doubles From Last Year

(BUSINESS WIRE)--Jan. 25, 2001--Sawtek Inc. (Nasdaq:SAWS) today reported record revenue, net income and earnings per share for the quarter ended December 31, 2000.

Net sales of \$47.8 million for the quarter is the highest ever for a quarter for Sawtek and is 50% higher compared to net sales of \$31.8 million for the quarter

ended December 31, 1999. Net income of \$20.1 million, or \$0.46 per diluted share, for the quarter is up 97% compared to \$10.2 million, or \$.23 per diluted share, for the same quarter of the previous year. The net income and earnings per share are also the highest ever for a quarter in Sawtek's 22-year history, exclusive of the results for the quarter ended September 30, 2000, which included a one-time gain of \$23.1 million, equal to \$.53 per diluted share for an adjustment in the accounting for income taxes for Sawtek's Costa Rican subsidiary.

Comments from Sawtek's Chief Executive Officer

Kimon Anemogiannis, President and Chief Executive Officer, stated, "The tremendous results reported today are a direct result of the successful implementation of our strategy to dominate our core markets, expand our product offerings for wireless phones and target new emerging markets for our technology. The diversity of our product portfolio continues to be our strength. Sales of products for CDMA and GSM base stations grew by 47% compared to the year-ago quarter, reflecting our dominant position in this market and the global expansion of network capacity. During the quarter, we announced our first shipment of CDMA base station filters for the China market and we continue to explore ways to further penetrate this huge potential market. Revenue from filters for wireless phones grew by 31% from the year-ago quarter and grew by 53% compared to last quarter, reflecting the strength of our new products, GSM IF and RF filters, as well as a recovery in the Korean market.

Business Outlook 2001

We believe that growth will continue in the overall wireless and communications market during 2001 and that Sawtek will continue to benefit from this growth. We are projecting our revenue to grow between 10% and 15% for fiscal 2001 and net income, exclusive of the one-time tax gains in fiscal 2000, to grow slightly lower than the rate of growth in revenue. Revenue growth is projected to come largely from increased sales of new products for wireless phones, data communications and broadband access as well as continued strength in demand for our core products, including filters for base stations and wireless phones.

Seasonal factors, along with varying estimates of demand for wireless phones make it difficult to predict quarter-by-quarter results for 2001. **We are projecting revenue for the quarter ended March 31, 2001 to be similar to the same period last year. This reduction in revenue, compared to the quarter ended December 31, 2000, is due to the slow down in the economy and in the wireless industry, lower prices, inventory build-up from last quarter, and guidance from the major wireless phone manufacturers for the quarter ending March 31, 2001.** Net income and earnings per share for the quarter ending March 31, 2001 are also expected to be similar to the quarter ended March 31, 2000 based on similar revenue,

lower gross profit margin, stable operating expenses, and a lower tax rate. Net income and earnings per share are projected to be down compared to the quarter ended December 31, 2000 due to the lower revenue and lower gross profit margin. We believe this to be a short-term trend. We do not expect to alter our spending plans and expect a recovery in the second half of calendar 2001. We will continue with our plan to increase manufacturing capability in fiscal 2001 and we expect to spend approximately \$12 million to \$15 million on new equipment in fiscal 2001. Depreciation is estimated at approximately \$11 million to \$12.5 million for all of fiscal 2001. (Emphasis added.)

34. On January 29, 2001, Sawtek filed with the SEC its Form 10-Q for the quarter ended March 31, 1999. The Form 10-Q was signed by defendant Link. In the 10-Q, Sawtek repeated the financial results reported in the January 25, 2001, press release.
35. In fact, defendants knew or recklessly disregarded that the results described in the January 25, 2001, press release and the January 29, 2001, Form 10-Q were false and misleading because the Company's financial performance was artificially inflated by improperly stuffing the distribution channel.
36. Approximately two months later, on April 9, 2001, defendants disseminated a press release titled "Sawtek Announces Financial Results for Quarter and Six-Month Period Ended March 31, 2001." Despite an admitted "downturn in the wireless and telecommunication markets," the press release forecasts revenue only ten percent lower than then the previous quarter. The April 9, 2001, press release included a statement by defendant Anemogiannis and stated in pertinent part:

Sawtek Announces Financial Results for Quarter and Six-Month Period Ended March 31, 2001

(BUSINESS WIRE)--April 9, 2001--Sawtek Inc. (Nasdaq:SAWS) today reported its revenue, net income and earnings per share for the quarter and six months ended March 31, 2001.

Net income for the six months ended March 31, 2001 of \$29.4 million, or \$0.68 per diluted share is up 28.7% compared to \$22.8 million, or \$0.52 per diluted share for the same period last year. Net sales for the six-month period ended March 31, 2001 of \$76.1 million are up 9.7% compared to \$69.4 million for the same period last year. For the quarter ended March 31, 2001, sales were \$28.4 million compared to net sales of \$37.6 million for the quarter ended March 31, 2000, and net income of \$9.3 million, or \$0.22 per diluted share, for the quarter compares to \$12.6 million, or \$0.29 per diluted share, for the same quarter of the previous year.

Comments from Sawtek's Chief Executive Officer

Kimon Anemogiannis, President and Chief Executive Officer, stated, "The results reported today reflect the current downturn in the wireless and telecommunication markets. We have been adversely impacted by the downturn in these markets resulting in lower sales, lower gross margin, and lower net income for the quarter. Our net sales for the quarter are slightly below the range of the guidance provided on February 27, 2001 due to the continued unfavorable market conditions. Our earnings per share of \$0.22 is within the range of the guidance. The areas most severely affected include our GSM IF filter business, the broadband access market, our CDMA base station business, and our wireless LAN business, all of which were significantly lower than last quarter and our forecast for this quarter. On a positive note, our RF filter sales increased 96% over last quarter and our recently introduced duplexers for cellular phones have been well received by the market. In spite of all of the difficulties this past quarter, Sawtek remains extremely profitable with net profit after-tax of 32.7% of net sales, which is a testament to our cost structure and ability to quickly respond to changes in our markets."

Business Outlook for the remainder of fiscal 2001

We believe that the current slowdown in the overall wireless and communications market will continue in the June quarter and into the September 2001 quarter and that Sawtek will be affected by this slowdown. We are projecting our revenue will be down by approximately 15% to 20% for fiscal 2001, compared to fiscal 2000, and net income, exclusive of the one-time tax gains in fiscal 2000, to be down slightly more than the decline in revenue. The decline in revenue is projected to be across most product lines as the wireless handset and infrastructure, data communications and broadband access markets are all down compared to one year ago.

It has become increasingly difficult to accurately predict our revenue due to the varying estimates of worldwide phone demand and continued changes in orders by our customers. **We are projecting revenue for the quarter ending June 30, 2001 to be approximately 10% lower than the quarter ended March 31, 2001.** This reduction in projected revenue is due to the slowdown in the economy and in the

wireless industry, lower prices, and reduced visibility. Net income and earnings per share for the quarter ending June 30, 2001 are also expected to be lower than the quarter ended March 31, 2001 based on lower revenue, lower gross profit margin, stable operating expenses, and a similar tax rate. We are hopeful that this is a short-term trend. However, we have adjusted our spending plans, reduced headcount in Costa Rica, reduced working hours, and have encouraged workers to take early retirement in the event this slowdown continues for a longer period of time. We have also decided to spin off our SAW-based sensing instrument product line. We will continue with our research and development in SAW-based sensing modules, but we will no longer sell sensing instruments. Despite this slowdown, we are aggressively recruiting engineers and sales personnel, we are continuing to invest in new products and technologies, and our engineering teams are extremely busy working on new products and potential design wins to help position the Company for future growth. (Emphasis added.)

37. On April 27, 2001, Sawtek filed with the SEC its Form 10-Q for the quarter ended March 31, 2001. The Form 10-Q was signed by defendant Link. In the 10-Q, Sawtek repeated the financial results reported in the April 9, 2001, press release.

38. Defendants knew or recklessly disregarded that the April 27, 2001, Form 10-Q was false and misleading because it failed to disclose that the Company was improperly stuffing its distribution channel.

THE TRUTH IS REVEALED

39. On May 23, 2001, the last day of the Class Period, Sawtek issued a press release titled, "Sawtek Announces a Mid-Quarter Update for Quarter Ending June 30, 2001," which revised the Company's revenue and profit forecast sharply downward – approximately thirty percent (30%) below Sawtek's previous guidance. The press release includes a statement by defendant Anemogiannis and stated in pertinent part:

Sawtek Announces a Mid-Quarter Update for Quarter Ending June 30, 2001
(BUSINESS WIRE)--May 23, 2001--Sawtek Inc. (Nasdaq:SAWS) today provided investors with a mid-quarter update for the quarter ending June 30, 2001.

Kimon Anemogiannis, President and Chief Executive Officer, stated, "We are revising our revenues and profits for the quarter ending June 30, 2001 due to the continued slow down in the wireless communication sector resulting in lower order flow and backlog from our original projections. We are now projecting revenues for the quarter ending June 30, 2001 to be somewhere between \$17 million and \$19 million, gross profit margin is estimated at 33% to 39%, and earnings per share is estimated at \$0.06 to \$0.08. We are optimistic about our long-term prospects with significant revenue projected from our new products, including RF filters and our recently introduced RF cellular duplexer." (Emphasis added.)

40. Investor reaction to the disappointing news of Sawtek's actual financial performance was sharply negative. By the close of trading on May 24, 2001, Sawtek's stock price had plunged more than seventeen percent (17%) from the previous day's close as a result of this news.
41. Three days later, on May 27, 2001, Bloomberg News published an article quoting a New York Times article published that same day which stated that CEOs' optimistic revenue forecasts often are analogous to hunches: "Most of these prognostications are based not on facts, but on feelings," columnist Gretchen Morgenson wrote in The New York Times article, titled "MARKET WATCH; Why the Happy Talk From Chief Executive Cheerleaders?" Moreover, the Bloomberg News article offered defendant Anemogiannis' April 9, 2001, statements as an illustration of the effect that revenue forecasts can have on a company's stock price:

Thanks to the Private Securities Litigation Reform Act of 1995, executives can offer forecasts freed of the specter of class action lawsuits if they prove misleading, the Times said. Nevertheless, investors appear to be swayed by them.

Kimon Anemogiannis, president of cellular phone parts maker Sawtek Inc., in April said business was stabilizing and sales for the quarter ending in the next month would be down just 10 percent. The shares rose. Late

Wednesday, Anemogiannis said revenue would in fact be 30 percent below that forecast and the shares plunged 17 percent the next day. ... (Emphasis added.)

SCIENTER ALLEGATIONS

42. As alleged herein, defendants acted with scienter in that defendants knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the true facts regarding Sawtek, their control over, and/or receipt and/or modification of Sawtek's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Sawtek, participated in the fraudulent scheme alleged herein.

Applicability Of Presumption Of Reliance: Fraud-On-The-Market Doctrine

43. At all relevant times, the market for Sawtek's securities was an efficient market for the following reasons, among others:

(a) Sawtek's stock met the requirements for listing, and was listed and actively traded on the Nasdaq, a highly efficient and automated market;

(b) As a regulated issuer, Sawtek filed periodic public reports with the SEC and the Nasdaq;

(c) Sawtek regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and

(d) Sawtek was followed by several securities analysts employed by major brokerage firms who wrote reports which were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

44. As a result of the foregoing, the market for Sawtek's securities promptly digested current information regarding Sawtek from all publicly available sources and reflected such information in Sawtek's stock price. Under these circumstances, all purchasers of Sawtek's securities during the Class Period suffered similar injury through their purchase of Sawtek's securities at artificially inflated prices and a presumption of reliance applies.

COUNT I

BREACH OF FIDUCIARY DUTY AGAINST ALL DEFENDANTS

45. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

46. Defendants owed a fiduciary duty to the Class, as purchasers and owners of Sawtek stock.

47. Defendants, by means of their making the foregoing false and misleading statements, breached their fiduciary duty to the Class.

COUNT II

**VIOLATIONS OF SECTION 10(b) OF THE EXCHANGE ACT
AND RULE 10b-5 PROMULGATED THEREUNDER
AGAINST ALL DEFENDANTS**

48. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.
49. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were materially false and misleading in that they contained material misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
50. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:
- (a) Employed devices, schemes and artifices to defraud;
 - (b) Made untrue statements of material facts or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made not misleading; or
 - (c) Engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Sawtek publicly traded securities during the Class Period.
51. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue statements of material fact and/or omitted to state material facts necessary to make

the statements not misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Sawtek's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

52. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about the business, operations and future prospects of Sawtek as specified herein.
53. These defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course of conduct as alleged herein in an effort to assure investors of Sawtek's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and omitting to state material facts necessary in order to make the statements made about Sawtek and its business operations and future prospects in the light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of Sawtek securities during the Class Period.

54. Each of the Individual Defendants' primary liability, and controlling person liability, arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior officer and/or director of the Company was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of and had access to other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.
55. The defendants had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose and effect of concealing Sawtek's operating condition and future business prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by defendants' overstatements and misstatements of the Company's business, operations

and earnings throughout the Class Period, defendants, if they did not have actual knowledge of the misrepresentations and omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

56. As a result of the dissemination of the materially false and misleading information and failure to disclose material facts, as set forth above, the market price of Sawtek's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of Sawtek's publicly-traded securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by defendants, or upon the integrity of the market in which the securities trade, and/or on the absence of material adverse information that was known to or recklessly disregarded by defendants but not disclosed in public statements by defendants during the Class Period, plaintiff and the other members of the Class acquired Sawtek securities during the Class Period at artificially high prices and were damaged thereby.
57. At the time of said misrepresentations and omissions, plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Sawtek was experiencing, which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their Sawtek securities, or, if they had acquired such securities during the

Class Period, they would not have done so at the artificially inflated prices which they paid.

58. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.
59. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

COUNT III

PURSUANT TO SECTION 20(a) OF THE EXCHANGE ACT AGAINST THE INDIVIDUAL DEFENDANTS

60. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.
61. The executive officers of Sawtek prepared, or were responsible for preparing, the Company's press releases and SEC filings. The Individual Defendants controlled other employees of Sawtek. Sawtek controlled the Individual Defendants and each of its officers, executives and all of its employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.
62. The Individual Defendants acted as controlling persons of Sawtek within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the

investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

63. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.
64. As set forth above, Sawtek and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

CLASS ACTION ALLEGATIONS

65. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased Sawtek publicly traded securities (the "Class") on the open market during the Class Period. Excluded from

the Class are defendants, directors and officers of Sawtek and their families and affiliates.

66. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

67. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

(a) Whether the 1934 Act was violated by defendants;

(b) Whether defendants omitted and/or misrepresented material facts;

(c) Whether defendants' statements omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; and

(d) Whether defendants knew or recklessly disregarded that their statements were false and misleading.

PRAYER FOR RELIEF

WHEREFORE, plaintiff demands judgment:

1. Determining that the instant action is a proper class action maintainable under Rule 23 of the Federal Rules of Civil Procedure;

2. Awarding compensatory damages and/or rescission as appropriate against defendants, in favor of plaintiff and all members of the Class for damages sustained as a result of defendants' wrongdoing;

3. Awarding plaintiff and members of the Class the costs and disbursements of this suit, including reasonable attorneys', accountants' and experts' fees; and

4. Awarding such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

DATED: February 6, 2003

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