



## JURISDICTION AND VENUE

2. This Court has jurisdiction over the subject matter of this action pursuant to § 27 of the Exchange Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331.

3. Plaintiff brings this action pursuant to the Securities Exchange Act of 1934 as amended (15 U.S.C. §§ 78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5). Venue is proper in this District as defendants maintain their principal place of business in this District and many of the wrongful acts alleged herein took place or originated in this District.

4. In connection with the acts alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including, but not limited to, the mails, interstate telephone communications and the facilities of the national securities markets.

## PARTIES

5. Plaintiff Gretchen Stephens, as set forth in the accompanying certification, incorporated by reference herein, purchased the common stock of Sawtek at artificially inflated prices during the Class Period and has been damaged thereby.

6. Defendant Sawtek is a corporation organized under the laws of Florida with its principal executive offices located in this District. Sawtek designs, develops, manufactures and markets a multiplicity of electronic signal processing components, based on “surface acoustic wave” or SAW technology, primarily for use in the wireless communications industry. In July 2001, Sawtek was acquired by TriQuint Semiconductor, Inc. (“TriQuint”) and now is a wholly-owned subsidiary of TriQuint.

7. (a) Defendant Kimon Anemogiannis ("Anemogiannis") served as Sawtek's President and Chief Executive Officer since November 14, 2000.

(b) Defendant Gary A. Monetti ("Monetti") served as Sawtek's Chief Executive Officer from October 1, 1999 to November 14, 2000 and served as a director of Sawtek.

(c) Defendant Raymond A. Link ("Link") served as Sawtek's Senior Vice President-Finance, Treasurer and Chief Financial Officer of Sawtek.

8. Defendants Anemogiannis, Monetti and Link are collectively referred to herein as the "Individual Defendants."

9. Because of defendants' positions with the Company, they had access to the adverse undisclosed information about the Company's business, operations, products, 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.

10. It is appropriate to treat the 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, products, 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.

11. As officers and controlling persons of a publicly-held company whose common stock was, and is, registered with the SEC pursuant to the Exchange Act, and was traded on the NASDAQ, and governed by the provisions of the federal securities laws, the 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, products, 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 defendants' misrepresentations and omissions during the Class Period violated these specific requirements and obligations.

12. The 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 defendants had access to the adverse undisclosed information about Sawtek's business prospects

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.

13. The 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 defendants is responsible for the accuracy of the public reports and releases detailed herein and is therefore primarily liable for the representations contained therein.

14. 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: (i) deceived the investing public regarding Sawtek's business, operations, management and the intrinsic value of Sawtek common stock; and (ii) caused plaintiff and other members of the Class to purchase Sawtek securities at artificially inflated prices.

#### **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

15. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased the securities of Sawtek between January 27, 2000 and May 24, 2001, inclusive (the "Class Period") and who were damaged thereby. Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their

legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

16. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Sawtek common shares were actively traded on the NASDAQ. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes that there are hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Sawtek or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

17. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

18. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

19. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- (a) whether the federal securities laws were violated by Defendants' acts as alleged herein;
- (b) whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and operations of Sawtek; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

20. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

### **SUBSTANTIVE ALLEGATIONS**

21. Sawtek designs, develops, manufactures and markets a multiplicity of electronic signal processing components, based on "surface acoustic wave" or SAW technology, primarily for use in the wireless communications industry. In July 2001, Sawtek was acquired by TriQuint Semiconductor, Inc. ("TriQuint") and now is a wholly-owned subsidiary of TriQuint..

22. The Class Period begins on January 27, 2000. On that day, Sawtek issued a press release announcing its financial results for the first quarter of 2000, the period ending December 31, 1999. The Company reported net income of \$10.2 million, or \$0.23 per share, as compared to \$6.3 million, or \$0.15, for the same period the prior year. Defendant Monetti commented on the results stating in pertinent part as follows:

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.

23. On February 10, 2000, Sawtek filed its Form 10-Q with the SEC for the quarter ended December 31, 1999, which was signed by defendant Link. The Form 10-Q confirmed the previously-announced financial results. In the Notes to the financial statements contained in the Form 10-Q, defendants represented 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. . ."

24. On April 12, 2000, Sawtek issued a press release announcing its financial results for the second quarter of 2000, the period ending March 31, 2000. Defendant Monetti commented on the announcement stating in pertinent part as follows:

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 its Form 10-Q for the quarter ended March 30, 2000 with the SEC, which was signed by defendant Link. The Form 10-Q confirmed the previously-announced financial results.

26. On July 13, 2000, Sawtek issued a press release announcing its financial results for the third quarter of 2000, the period ending June 30, 2002. Defendant Monetti commented on the announcement stating in pertinent part as follows:

The outstanding results reported today are due to our successful expansion of our product line to include RF filters and SGM 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.

27. On July 17, 2000, Sawtek filed its Form 10-Q for the quarter ended September 30, 1999 with the SEC which was signed by defendant Link. The Form 10-Q confirmed the previously-announced financial results.

28. On October 26, 2000, Sawtek issued a press release announcing its financial results for the fourth quarter of 2000 and fiscal year 2000, the period ending September 30, 2000. Defendant Monetti commented on the announcement stating in pertinent part as follows:

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 dominant 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.

Furthermore, defendant Monetti represented that the market for Sawtek's products would continue to grow and that Sawtek would see continuing growth stating in pertinent part as follows:

#### 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.

29. On November 13, 2000, Sawtek filed its Form 10-K for the fiscal year ended September 30, 2000 with the SEC which was signed by defendants Link and Monetti. The Form 10-K confirmed the previously-announced financial results for the fourth quarter and the year-end.

30. On January 25, 2001, Sawtek issued a press release announcing its financial results for the first quarter of 2001, the period ending December 31, 2000. Defendant Anemogiannis commented on the results stating in pertinent part as follows:

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.

Defendant Anemogiannis also projected revenue growth stating in pertinent part as follows:

#### 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 21, 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.)

31. On January 29, 2001, Sawtek filed its Form 10-Q for the quarter ended March 31, 1999 with the SEC which was signed by defendant Link. The Form 10-Q confirmed the previously-announced financial results.

32. On April 9, 2001, Sawtek issued a press release announcing its financial results for the second quarter of 2001, the period ending March 31, 2001. Defendant Anemogiannis commented on the results stating in pertinent part as follows:

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.

33. On April 27, 2001, Sawtek filed its Form 10-Q for the quarter ended March 31, 2001 with the SEC which was signed by defendant Link. The Form 10-Q confirmed the previously announced financial results.

34. The statements referenced above in ¶¶ 22-33 were each materially false and misleading because they failed to disclose and misrepresented the following material adverse facts:

- (a) that Sawtek was stuffing its distribution channels with product such that its reported sales were not truly representative of demand for the Company's products;
- (b) that Sawtek's reported growth rate was artificially inflated by its channel stuffing activity; and
- (c) as a result of the foregoing, defendants lacked a reasonable basis for their earnings projections and positive statements.

35. The Class Period ends on May 23, 2001. On that date, Sawtek issued a press release announcing that it was revising its revenue and profit forecast sharply downward – approximately thirty percent (30%) below Sawtek's previous guidance. Defendant Anemogiannis stated in pertinent part:

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.

36. In response to this announcement, Sawtek's stock price plunged more than seventeen percent (17%) from the previous day's close.

37. The market for Sawtek's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and misleading statements and failures to

disclose, Sawtek's common stock traded at artificially inflated prices during the Class Period. The artificial inflation continued until the time Sawtek acknowledged the decline in its business and this admission was communicated to, and/or digested by, the securities markets. Plaintiff and other members of the Class purchased or otherwise acquired Sawtek securities relying upon the integrity of the market price of Sawtek's securities and market information relating to Sawtek, and have been damaged thereby.

38. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Sawtek's securities, by publicly issuing false and misleading statements and omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and misleading. Said statements and omissions were materially false and misleading in that they failed to disclose material adverse information and misrepresented the truth about the Company, its business and operations, including, the adverse facts alleged herein.

39. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false or misleading statements about Sawtek's business, prospects and operations. These material misstatements and omissions had the cause and effect of creating in the market an unrealistically positive assessment of Sawtek and its business, prospects and operations, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and misleading statements during the Class Period resulted in plaintiff and other members

of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein.

### **SCIENTER ALLEGATIONS**

40. 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**

41. 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 NASD;
- (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.

42. 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.

#### **NO SAFE HARBOR**

43. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this complaint. Many of the specific statements pleaded herein were not identified as "forward-looking statements" when made. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the particular speaker knew that the particular forward-looking statement was false, and/or the forward-looking statement was authorized

and/or approved by an executive officer of Sawtek who knew that those statements were false when made.

### **FIRST CLAIM**

#### **Violation Of Section 10(b) Of The Exchange Act Against And Rule 10b-5 Promulgated Thereunder Against All Defendants**

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

45. During the Class Period, Sawtek and the Individual Defendants, and each of them, carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including plaintiff and other Class members, as alleged herein; (ii) artificially inflate and maintain the market price of Sawtek's securities; and (iii) cause plaintiff and other members of the Class to purchase Sawtek's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

46. 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.

47. In addition to the duties of full disclosure imposed on Defendants as a result of their making of affirmative statements and reports, or participation in the making of affirmative

statements and reports to the investing public, Defendants had a duty to promptly disseminate truthful information that would be material to investors in compliance with the integrated disclosure provisions of the SEC as embodied in SEC Regulation S-X (17 C.F.R. Sections 210.01 et seq.) and Regulation S-K (17 C.F.R. Sections 229.10 et seq.) and other SEC regulations, including accurate and truthful information with respect to the Company's operations, financial condition and earnings so that the market price of the Company's securities would be based on truthful, complete and accurate information.

48. Sawtek and the Individual 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.

49. 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's securities during the Class Period.

50. 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; (ii) the Individual Defendants were privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; and (iii) the Individual Defendants were aware of the Company's dissemination of information to the investing public which they knew or recklessly disregarded was materially false and misleading.

51. 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.

52. 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.

53. 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 of the true financial condition and business prospects of Sawtek, 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.

54. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange Act, and Rule 10b-5 promulgated thereunder.

55. 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.

**SECOND CLAIM**  
**Violation Of Section 20(a) Of**  
**The Exchange Act Against the Individual Defendants**

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

57. 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 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.

58. In particular, the Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, are 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.

59. 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 position each as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Sawtek's and the Individual 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.

**WHEREFORE**, plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and plaintiff's counsel as Lead Counsel;

(b) Awarding compensatory damages in favor of plaintiff and the other Class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: February 12, 2003

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