

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

TODD SIMON, Individually and On Behalf
of All Others Similarly Situated,

Plaintiff,

v.

MICRON TECHNOLOGY INC., WILBUR
O. STOVER, JR., STEVEN R. APPLETON,
AND MICHAEL W. SADLER,

Defendants.

No.

CLASS ACTION COMPLAINT
FOR VIOLATIONS OF FEDERAL
SECURITIES LAWS

JURY TRIAL DEMANDED

Plaintiff alleges the following based upon the investigation of Plaintiffs counsel, which included, among other things, a review of the defendants' public documents, conference calls and announcements made by defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding Micron Technologies, Inc. ("Micron" or the "Company") securities analysts' reports and advisories about the Company, and information readily obtainable on the Internet.

SUMMARY OF ACTION

1. This is a federal class action on behalf of purchasers of the publicly traded securities of Micron between February 24, 2001 and February 13, 2003 (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. During the Class Period, Micron, along with others in the industry, engaged in a conspiracy to suppress and eliminate competition by fixing the prices of Dynamic Random Access Memory ("DRAM"). DRAM is the most commonly used semiconductor memory product used in

personal computers. Micron and other manufacturers conspired to raise the price of DRAM sold to certain original equipment manufacturers of personal computers and servers ("OEMs").

3. In June of 2002, Micron received a subpoena from the Antitrust Division of the Department of Justice ("DOJ") related to an industry-wide investigation into alleged anti-competitive practices among DRAM manufacturers. At the time, Micron's management refuted any wrong doing by claiming that "[t]he DRAM business is highly competitive and subject to extreme volatility."

4. In September 2004, Infineon, Micron's competitor, pled guilty to participating in a criminal conspiracy from July 1, 1999 to June 15, 2002. Pursuant to the sentencing guidelines for this felony, Infineon was sentenced to pay a \$160 million criminal fine, the fourth largest criminal fine for antitrust violations ever imposed by the DOJ.

5. In November 11, 2004, Micron finally admitted that the DOJ's investigation revealed evidence of price fixing by Micron employees. The Company also revealed that "if Micron fully complies with the Corporate Leniency Policy, Micron will not be subject to criminal sanctions or fines, notwithstanding Micron's involvement in the misconduct." The Corporate Leniency Policy offers leniency to complicit entities if it voluntarily reports illegal activities.

6. The complaint alleges that defendants' issued a series of false and misleading statements to the market artificially inflating the Company's stock. More specifically, the Defendants failed to disclose the following materially adverse facts to the market: (1) that Micron engaged in illegal anti-competitive behavior to suppress and eliminate competition by fixing the prices of DRAM sold to OEMs in violation of §1 of the Sherman Antitrust Act; (2) that Micron's financial results throughout the Class Period were materially inflated as a direct result of the price-fixing conspiracy due to the Company's illegal behavior of price-fixing; and (3) that the Company's

financial projections during the Class Period lacked a reasonable basis because they were issued while the Company involved itself in an illegal price-fixing scheme.

JURISDICTION AND VENUE

7. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. § 78j (b) and 78t(a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. § 240.10b-5

8. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. § 7Saa) and 28 U.S.C. § 1331.

9. Venue is proper in this Judicial District pursuant to § 27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. §1391(b). Many of the acts and transactions alleged herein occurred in substantial part in this Judicial District. Additionally, the Company maintained an executive office in this Judicial District during the Class Period.

10. In connection with the acts, conduct and other wrongs alleged in this complaint, defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

11. Plaintiff, Todd Simon, as set forth in the accompanying certification, incorporated by reference herein, purchased Micron securities at artificially inflated prices during the Class Period and has been damaged thereby.

12. Defendant Micron is a Delaware corporation with its principal executive offices located at 8000 5. Federal Way, Boise, Idaho 83716.

13. Defendant Steven R. Appleton ("Appleton") was, at all relevant times, the Company's Chairman of the Board, Chief Executive Officer, and President. Defendant Appleton joined Micron in 1983 and held a series of increasingly responsible positions, including Production Manager, Director of Manufacturing, and Vice President of Manufacturing. In 1991, Mr. Appleton was appointed President and Chief Operating Officer of Micron. In 1994, he was appointed to his current position of Chairman, Chief Executive Officer, and President.

14. Defendant Wilbur C. Stover ("Stover") was, at all relevant times, the Company's Vice President of Finance and Chief Financial Officer. Defendant Stover's responsibilities included the oversight of all financial, administrative, and information system operations. He also serves as a director of Micron's various sales subsidiaries around the world. Defendant Stover joined Micron in 1989 and was appointed Vice President of Finance and Chief Financial Officer of Micron Semiconductor in 1992. He assumed his current position with Micron Technology in 1994.

15. Defendant Michael W. Sadler ("Sadler") was, at all relevant times, the Company's Vice President of Worldwide Sales. Defendant Sadler joined Micron in 1992 as a Regional Sales Manager and since held a series of increasingly responsible positions including Major Accounts Sales Manager, National Sales Manager, Director of Memory Sales, and Vice President of Sales. He was appointed to his current position in January 2000.

16. Defendants Appleton, Stover, and Sadler are referred to hereinafter as the "Individual Defendants." The Individual Defendants, because of their positions with the Company, possessed the power and authority to control the contents of Micron's quarterly reports, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, i.e., the market. Each defendant was provided with copies of the Company's reports and press releases

alleged herein to be misleading prior to or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, each of these defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations which were being made were then materially false and misleading. The Individual Defendants are liable for the false statements pleaded herein, as those statements were each “group-published” information, the result of the collective actions of the Individual Defendants.

CLASS ACTION ALLEGATIONS

17. 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 Micron during 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.

18. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Micron’s securities were actively traded on the NYSE. 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 Micron 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.

19. Plaintiffs 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.

20. 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.

21. 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, operations and management of micron; and

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

22. 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

23. Micron engages in the manufacture and marketing of semiconductor devices worldwide. Its products include a series of dynamic random access memory products, which provide data storage and retrieval. The Company also offers NAND flash memory products, which are electrically re-writable, nonvolatile semiconductor devices that retain memory content when power is turned off and complementary metal oxide semiconductor image sensors that capture and process images into pictures or video for consumer and industrial applications. Its products are used in various electronic applications, including personal computers, workstations, network servers, mobile phones, flash memory cards, USB storage devices, digital still cameras, MP3 players, and other consumer electronics products. The Company offers its products to original equipment manufacturers through direct sales force, independent sales representatives, distributors, and its Web-based customer direct sales division.

24. On March 29, 2001, Micron issued a press release entitled "Micron Technology, Inc. Reports Consolidated Results for Second Quarter of Fiscal 2001." Therein, the Company, in relevant part, stated:

Micron Technology, Inc., today confirmed its March 21, 2001, announcement that the pretax results of its Semiconductor Operations were slightly profitable for the second fiscal quarter ended March 1, 2001, on net sales of \$1,051 million. The Company's consolidated net loss for the second quarter of fiscal 2001 was \$88 million (or \$0.15 per diluted share) which includes the effects of the net loss from the Micron Electronics, Inc. (MEI), discontinued PC operations of \$84 million (or \$0.14 per diluted share) and the net loss from MEI's continuing Web hosting operation. The Company's consolidated financial information presents the net effect of discontinued operations separate from the results of the Company's continuing operations. Historical financial information of the Company has been restated to present consistently the discontinued operations.

The Company's loss from continuing operations, net of taxes, for the second quarter

of fiscal 2001 was \$4 million (or \$0.01 per diluted share) on consolidated net sales of \$1,066 million. Income from continuing operations, net of taxes, for the first quarter of fiscal 2001 was \$359 million (or \$0.59 per diluted share) on net sales of \$1,572 million.

Net sales from the Company's Semiconductor Operations decreased approximately 33% in the second quarter of fiscal 2001 compared to the immediately preceding quarter primarily due to the effect of an approximate 50% decrease in average selling prices for the Company's semiconductor memory products, partially offset by an approximate 33% increase in megabits shipped. Gross margin on sales of semiconductor products decreased to 18% for the second quarter of fiscal 2001 from 49% for the first quarter, primarily reflecting the lower average selling prices for the Company's semiconductor memory products. Net sales from the Semiconductor Operations for the first quarter of fiscal 2001 were \$1,558 million.

25. On June 21, 2001, Micron issued a press release entitled "Micron Technology, Inc., Reports Consolidated Results For Third Fiscal Quarter 2001 " Therein, the Company, in relevant part, stated:

Micron Technology, Inc., today announced an after-tax net loss from continuing operations for the third quarter of \$301 million, or \$0.50 per diluted share, on \$818 million of net sales. The third quarter loss from continuing operations includes a pre-tax inventory write down of approximately \$260 million. For the first nine months of fiscal 2001, the Company reported net income from continuing operations of \$54 million, or \$0.09 per diluted share, on \$3,456 million of net sales.

Net sales from the Company's semiconductor operations for the third quarter of fiscal 2001 decreased 24% compared to the immediately preceding quarter as a result of an approximate 35% decline in the Company's overall average selling price per megabit, partially offset by an approximate 20% increase in megabit shipments. The Company's aggregate work in process and finished goods inventories, as measured in megabits, were considerably higher at the end of the third quarter principally due to the acquisition of the KMT wafer fab.

At May 31, 2001, the Company had cash and liquid investment balances in excess of \$1.7 billion. The Company expects capital spending for its fiscal year ending August 30, 2001 to approximate \$1.8 billion as the Company continues to invest in leading edge manufacturing and process capabilities.

On April 30, 2001, the Company completed the acquisition of KMT, a wafer fabrication joint venture in which the Company previously had a 25% ownership interest. KMT's results of operations were consolidated with the Company's results as of the date of the acquisition.

On May 31, 2001, Micron Electronics, Inc., completed the sale of its PC business to Gores Technology Group. The Company's total net loss for the third quarter reflects an additional \$12 million loss, \$0.02 per diluted share, from the discontinued PC business. For the first nine months of fiscal 2001, the Company realized a loss of \$47 million, \$0.08 per diluted share, on the disposition of the PC business.

26. On September 25, 2001, Micron issued a press release entitled "Micron Technology, Inc., Reports Consolidated Results for Fourth Quarter And Fiscal Year 2001." Therein, the Company, in relevant part, stated:

Micron Technology, Inc. today announced a net loss for the fourth quarter of fiscal 2001 of \$576 million, or \$0.96 per diluted share, on \$480 million of net sales. For the fiscal year ended August 30, 2001, the Company had a net loss from continuing operations of \$521 million, or \$0.88 per diluted share, on \$3,936 million of net sales. For fiscal year 2000, the Company had net income from continuing operations of \$1,548 million, or \$2.63 per diluted share, on net sales of \$6,362 million.

In the fourth quarter of fiscal 2001, the Company recorded an aggregate charge of \$191 million (\$118 million, or \$0.20 per diluted share, net of taxes) for the write-down of its equity investment in Interland, Inc. (formerly Micron Electronics, Inc.), and subsequent contribution of its Interland shares to the Micron Technology Foundation. In addition, the loss for the fourth quarter includes the effect of a write-down of work in process and finished goods inventories of \$466 million (\$289 million, or \$0.48 per diluted share, net of taxes) to reduce the carrying value of inventories to their lower of cost or market value.

Average selling prices for the Company's semiconductor memory products in the fourth quarter of fiscal 2001 decreased approximately 55% compared to the third quarter and decreased approximately 85% compared to the fourth quarter of the prior year. This precipitous drop in average selling prices led to a 79% drop in the Company's net sales when comparing the fourth quarter of fiscal 2001 to the fourth quarter of fiscal 2000. The effect of the lower average selling prices on the Company's net sales for the fourth quarter of fiscal 2001 was partially offset by a higher level of megabit shipments. Megabit shipments in the fourth quarter of fiscal 2001 increased approximately 30% compared to the third quarter and approximately 45% compared to the fourth quarter of the prior year. The Company's megabit

shipments for fiscal year 2001 increased approximately 50% compared to fiscal 2000. Megabit inventories in work in process and finished goods increased slightly in the fourth quarter compared to the third quarter of fiscal 2001.

“The global economy is facing stiff challenges from which our industry is certainly not exempt,” said Steve Appleton, Micron’s Chief Executive Officer. “However, Micron is poised with one of the strongest balance sheets in the industry, an excellent complement of people resources, an industry leading process technology and a resolve to emerge from these troubled times as the strongest semiconductor memory manufacturer in the world. Our manufacturing implementation of 0.1 3p process technology should position us very positively for 2002.”

27. On December 18, 2001, Micron issued a press release entitled "Micron Technology Reports Consolidated Results For The First Quarter Of Fiscal Year 2002." Therein, the Company, in relevant part, stated:

Micron Technology, Ire., today announced a net loss for the first quarter of fiscal 2002 of \$266 million, or \$0.44 per diluted share, on \$424 million of net sales. These results compare to a net loss of \$576 million, or \$0.96 per diluted share, on \$480 million of net sales for the fourth quarter of fiscal 2001 and income from continuing operations of \$360 million, or \$0.59 per diluted share, on \$1,572 million of net sales for the first quarter a year ago.

The Company's results include inventory write-downs of \$173 million in the first quarter of fiscal 2002 and \$466 million in the fourth quarter of fiscal 2001 to record inventories at their lower of cost or market values. Average selling prices for the Company's semiconductor memory products for the first quarter of fiscal 2002 decreased 24% when compared to the preceding quarter and decreased 88% when compared to the first quarter a year ago. Megabit shipments in the first quarter of fiscal 2002 increased approximately 20% compared to the immediately preceding quarter and approximately 130% compared to the first quarter of the prior year. Megabit inventories in work in process and finished goods decreased approximately 20% at the end of the first quarter of fiscal 2002 compared to their levels at the end of the fourth quarter of fiscal 2001. The Company finished the first quarter of fiscal 2002 with cash and liquid investments of approximately \$1.7 billion.

28. On March 20, 2001, Micron issued a press release entitled "Micron Technology, Inc., Reports Consolidated Results for the Second Quarter of Fiscal Year 2002." Therein, the Company, in relevant part, stated:

Micron Technology, Inc., today announced a net loss for the second quarter of fiscal 2002 of \$30 million, or \$0.05 per diluted share, on net sales of \$646 million. These results compare to a net loss of \$266 million, or \$0.44 per diluted share, on net sales of \$424 million for the first quarter of fiscal 2002 and a net loss from continuing operations of \$4 million, or \$0.01 per diluted share, on net sales of \$1,066 million for the second quarter of fiscal 2001.

Net sales in the second quarter of fiscal 2002 were 52% higher compared to the first quarter of fiscal 2002 as a result of an approximate 70% increase in average selling prices for the Company's products, partially offset by an approximate 10% decrease in megabit shipments. The Company's finished goods inventories declined significantly during the quarter, and reached minimum levels at quarter end. Megabit production in the second quarter of fiscal 2002 was approximately 30% lower than the first quarter, attributable to the Company's efforts to reduce its manufacturing cycle times and the effects of scheduled holiday downtime.

29. On June 18, 2002, Micron issued a press release entitled "Micron Technology, Inc., Confirms Industry-Wide Investigation." Therein, the Company, in relevant part, stated:

Micron Technology, Inc., (NYSE: MU) today confirmed that the Antitrust Division of the Department of Justice has undertaken an industry-wide investigation into alleged anticompetitive practices among DRAM manufacturers. Micron confirmed that it received a grand jury subpoena yesterday from the United States District Court for the Northern District of California seeking information relating to the investigation.

The Company informed the Antitrust Division that it will cooperate fully with the Division's investigation. "Micron does not believe it has violated U.S. antitrust laws," said Micron VP of Corporate Affairs, Kipp Bedard. "The DRAM business is highly competitive and subject to extreme volatility. Competitive forces in today's market have led to DRAM prices reaching unprecedented lows."

30. On June 25, 2002, Micron issued a press release entitled "Micron Technology, Inc., Reports Consolidated Results for the Third Quarter of Fiscal Year 2002," Therein, the Company, in relevant part, stated:

Micron Technology, Inc.. today announced a net loss for the third quarter of fiscal 2002 of \$24 million, or \$0.04 per diluted share, on net sales of \$771 million. These results compare to a net loss of \$30 million, or \$0.05 per diluted share, on net sales of \$646 million for the second quarter of fiscal 2002 and a net loss from continuing

operations of \$301 million, or \$0.50 per diluted share, on net sales of \$818 million for the third quarter of fiscal 2001.

Net sales in the third quarter of fiscal 2002 were 19% higher compared to the immediately preceding quarter ended February 28, 2002 due to 44% higher average selling prices. Although average selling prices were higher for the third quarter of fiscal 2002, prices declined from early April through the end of the quarter due to adverse market conditions. Megabits sold by the Company in the third quarter of fiscal 2002 were 17% lower than in the second quarter, and megabits of finished goods inventories increased significantly as compared to the end of the second quarter.

Based on the recent declines in selling prices, the Company recorded a write-down of \$26 million in the third quarter of fiscal 2002 to record inventories of semiconductor products at their estimated market values. Excluding this write-down and the effect of previous write-downs of products sold in the third quarter, the Company's gross margin for the third quarter of fiscal 2002 would have been lower by an estimated \$55 million.

The Company ended its third quarter of fiscal 2002 with approximately 81.3 billion in cash and liquid investments.

31. On September 24, 2002, Micron issued a press release entitled "Micron Technology, Inc., Reports Results for the Fourth Quarter and Fiscal Year 2002" Therein, the Company, in relevant part, stated:

Micron Technology, Inc., today announced results of operations for its fourth quarter and fiscal year ended August 29, 2002, with operating losses of \$468 million and \$1,025 million, respectively, on net sales of \$748 million and \$2,589 million, respectively. Operating results for the fourth quarter of fiscal 2002 include a write-down of \$174 million to record inventories of semiconductor products at their estimated market values.

Average selling prices for the Company's semiconductor products decreased approximately 30% in the fourth quarter compared to the immediately preceding quarter ended May 30, 2002. The decrease in average selling prices was substantially offset by an approximate 40% increase in the Company's megabit shipments during the fourth quarter resulting in only slightly lower net sales for the fourth quarter compared to the third quarter.

Despite adverse market conditions, the Company is executing successfully with respect to its products and technology. In the fourth quarter the Company completed

its transition from the 256 Meg Sync DRAM to the 256 Meg DDR DRAM as its primary product. Finished goods inventory levels of DDR products are minimal as demand for DDR memory remains strong. The Company spent approximately \$2.6 billion over the past two fiscal years on capital expenditures for leading edge R&D and manufacturing capability. The Company's recent efficiency measures reduced fourth quarter per megabit manufacturing costs by approximately 10% as compared to the immediately preceding quarter. Near term cost reductions are expected to result from utilization of .13 and .11 micron manufacturing capacity. Megabit production in the fourth quarter was approximately 20% higher than the immediately preceding quarter. In addition to next generation memory development efforts, research and development expense includes costs incurred in design and development of devices for data networking applications and CMOS imagers.

Due to historically low average selling prices, estimated market values of certain of the Company's products, in particular synchronous DRAM products, held in finished goods and work in process inventories are currently below their costs, requiring an inventory write-down to estimated market values. Excluding the effects on gross margin of the fourth quarter write-down and of previous write-downs on products sold in the fourth quarter, gross margin for the fourth quarter of fiscal 2002 would have been higher by approximately \$130 million.

In the fourth quarter of fiscal 2002, as part of the income tax provision for the period, the Company recorded a non-cash charge of \$348 million, or \$0.58 per diluted share, through the establishment of a valuation allowance against its deferred tax asset consisting primarily of U.S. net operating loss carryforwards (\$1.3 billion as of August 29, 2002). The valuation allowance is in accordance with generally accepted accounting principles, which require the assessment of the Company's performance and other relevant factors when determining the need for a valuation allowance. Factors such as recent losses are given substantially more weight than forecast future profitability. Until the Company utilizes these U.S. operating loss carryforwards, the income tax provision will reflect modest levels of foreign taxation.

Including the aforementioned effects of the lower of cost or market write-downs and the deferred tax asset valuation allowance, the Company's after-tax net loss for the fourth quarter was \$587 million, or \$0.97 per diluted share, and for fiscal year 2002 was \$907 million, or \$1.51 per diluted share. For fiscal year 2001, the Company had a net loss from continuing operations of \$521 million, or \$0.88 per diluted share, on net sales of \$3,936 million.

32. On December 17, 2002, Micron issued a press release entitled "Micron Technology, Inc., Reports Results for the First Quarter of Fiscal Year 2003." Therein, the Company, in relevant

part, stated:

Micron Technology, Inc., today announced results of operations for the first quarter of its 2003 fiscal year which ended November 28, 2002. The Company recognized an operating loss for the first quarter of fiscal 2003 of \$297 million and a net loss of \$316 million, or \$0.52 per diluted share, on sales of \$685 million. These results compare to an operating loss of \$468 million on sales of \$748 million for the immediately preceding quarter and an operating loss of \$452 million on sales of \$424 million for the first quarter of fiscal 2002. These operating results include charges for write-downs of inventories to their estimated market values of \$91 million for the first quarter of fiscal 2003, \$174 million for the fourth quarter of fiscal 2002 and \$173 million for the first quarter of fiscal 2002. Absent the effect of the first quarter of fiscal 2003 write-down and the effects of previous write-downs of products sold in the first quarter, the Company's operating loss for the first quarter of fiscal 2003 would have been \$345 million.

Average selling prices per megabit for the Company's semiconductor products decreased approximately 12% in the first quarter compared to the immediately preceding quarter ended August 29, 2002, principally as a result of lower selling prices for the Company's synchronous DRAM products partially offset by higher selling prices for DDR products. Megabit sales volumes were modestly higher comparing the first quarter to the immediately preceding quarter. Synchronous DRAM products constituted approximately 60% of the first quarter sales as measured in megabits, as demand allowed the Company to reduce inventories of these devices. The Company's production in the first quarter was slightly more than 50% DDR memory.

Megabit production was slightly higher comparing the first quarter of fiscal 2003 to the immediately preceding quarter. This increase was accomplished in the midst of transitions to both DDR devices and .13 micron line-width processes. At quarter end, approximately 40% of the Company's worldwide production had shifted to .13 micron process. The Company's transition from trench technology used in its recently acquired Manassas, Virginia facility to Micron's stack technology is expected to be completed as scheduled in the first calendar quarter of 2003. The Company's 300mm pilot production line in Manassas is on schedule and progressing well.

On November 21, 2002, the U.S. Department of Commerce ("DOC") initiated a Countervailing Duty investigation against subsidized Korean DRAM imports. On December 13, 2002, the U.S. International Trade Commission ("ITC") preliminarily determined that such imports injured the U.S. DRAM manufacturers. The DOC will next determine the level of subsidization and appropriate duty rate, after which the ITC will make its final injury determination. Steve Appleton, the Company's Chairman and CEO, acknowledged this step in the Countervailing Duty Case, noting,

"We are pleased the ITC and Department of Commerce have decided to move forward in their respective investigations. We believe it is clear there has been inappropriate government subsidization of the Korean DRAM industry."

The current quarter inventory write-downs were primarily attributable to SRAM and Flash products and Synchronous DRAM products- The write-down of SRAM and Flash products was necessitated by the extended downturn in the telecommunications and networking markets.

33. Defendants' statements described above were materially false and misleading when made because defendants failed to disclose or indicate the following: (1) that Micron engaged in illegal anti-competitive behavior to suppress and eliminate competition by fixing the prices of DRAM sold to OEMs in violation of §1 of the Sherman Antitrust Act; (2) that Micron's financial results throughout the Class Period were materially inflated as a direct result of the price-fixing conspiracy due to the Company's illegal behavior of price-fixing; and (3) that the Company's financial projections during the Class Period lacked a reasonable basis because they were issued while the Company involved itself in an illegal price-fixing scheme.

34. On November 11, 2004, Micron issued a press release entitled "Micron Technology, Inc., Responds to Recent Article." Therein, the Company, in relevant part, stated:

Micron Technology, Inc., today clarified and corrected a recent story about the company that appeared in the November 3, 2004, issue of Electronics weekly regarding the pending U.S. Department of Justice (DOJ) investigation into pricing in the DRAM industry.

Since the beginning of the investigation, Micron has indicated it is cooperating fully and actively with the DOJ. Micron's cooperation is pursuant to the terms of the DOJ's Corporate Leniency Policy, which provides that in exchange for Micron's full, continuing and complete cooperation in the pending investigation, Micron will not be subject to prosecution, fines, or other penalties. Micron's Chairman, Chief Executive Officer and President Steve Appleton stated, "Today's business environment demands broad company awareness and adherence to the principles of good corporate governance and legal compliance. It also requires cooperation with government agencies in investigations of possible wrongdoing."

Appleton continued, "Although a recent Electronics Weekly article suggested that I believe it is not possible to control prices in this industry and that the DOJ's investigation is theoretical, neither is the case. The DOJ's investigation revealed evidence of price fixing by Micron employees and its competitors on DRAM sold to certain computer and server manufacturers. Nevertheless, if Micron fully complies with the Corporate Leniency Policy, Micron will not be subject to criminal sanctions or fines, notwithstanding Micron's involvement in the misconduct."

Appleton stated further, "Micron deplores any effort to fix or stabilize prices and is committed to rectifying past behavior and ensuring any misconduct will not recur. Micron is dedicated to strong governance practices and comprehensive compliance programs. These efforts include global programs to ensure our employees understand how to interact appropriately with competitors, suppliers and customers. Our belief in these principles guides the company's long-standing commitment to strong governance practices and our implementation of up-to-date, comprehensive compliance programs. Micron continues to cooperate fully and actively with the DOJ in its investigation."

UNDISCLOSED ADVERSE FACTS

35. The market for Micron'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, Micron's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Micron securities relying upon the integrity of the market price of Micron's securities and market information relating to Micron, and have been damaged thereby

36. During the Class Period, defendants materially misled the investing public, thereby inflating the price of Micron'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, as alleged herein

37. 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 Micron'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 Micron 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.

LOSS CAUSATION

38. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

39. During the Class Period, Plaintiff and the Class purchased securities of Micron at artificially inflated prices and were damaged thereby. The price of Micron common stock declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

SCIENTER

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 Micron, their control over, and/or receipt and/or modification of Micron's allegedly materially misleading misstatements and/or their associations with the Company which made Them privy to confidential proprietary information concerning Micron, participated in the fraudulent scheme alleged herein.

41. During the Class Period, and with the Company's stock trading at artificially inflated prices, Company insiders sold 132,000 shares for gross proceeds of \$4,536,000. Additionally, during the Class Period, the Company issued more than \$632 million worth of debt and sold over \$480 million worth of warrants and completed numerous stock-for-stock acquisitions.

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

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

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

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

(c) Micron 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) Micron 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.

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

NO SAFE HARBOR

44. 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 Micron who knew that those statements were false when made.

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

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

46. During the Class Period, defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public regarding Micron's business, operations, management and the intrinsic value of Micron securities; (ii); and (iii) cause plaintiff and other members of the Class to purchase Micron'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.

47. 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 Micron'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.

48. 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 Micron 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 Micron'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 Micron 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 Micron's securities during the Class Period.

50. 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.

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 Micron'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 prices of Micron's securities were artificially inflated during the Class Period. In ignorance of the fact that market prices of Micron'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 Micron 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 the truth regarding Micron's financial results,

which were not disclosed by defendants, plaintiff and other members of the Class would not have purchased or otherwise acquired their Micron 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.

COUNT II
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 Micron 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.

58. 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.

59. As set forth above, Micron 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.

PRAYER FOR RELIEF

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.

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