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UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

In re MICRON TECHNOLOGY, INC. SECURITIES LITIGATION)	Master File No. 1:06-cv-00085-BLW
)	
)	<u>CLASS ACTION</u>
)	
This Document Relates To:)	CONSOLIDATED COMPLAINT FOR
)	VIOLATION OF THE FEDERAL
ALL ACTIONS.)	SECURITIES LAWS
)	
)	<u>DEMAND FOR JURY TRIAL</u>

INTRODUCTION

1. This action is brought on behalf of purchasers of Micron Technology, Inc. (“Micron” or the “Company”) publicly traded securities during the period from February 24, 2001 to February 13, 2003 (the “Class Period”), seeking to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Plaintiffs allege that defendants fraudulently inflated Micron’s securities prices by entering into illegal price-fixing agreements with competitors in order to manipulate the price of Micron’s principal product, Dynamic Random Access Memory, commonly known as DRAM. Micron’s securities prices are directly impacted by changes in DRAM price levels. As a result, by illegally manipulating DRAM prices (in violation of federal antitrust laws), Micron fraudulently misled investors as to its own profitability and inflated its own stock price. Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) promulgated thereunder make it illegal to engage in a course of business that operates or would operate as a fraud or deceit upon any person. Plaintiffs allege that by entering into the illegal price-fixing agreements, Micron and its employees engaged in an illegal course of business that operated as a fraud and deceit that deceptively inflated Micron’s stock price and defrauded Micron investors. When regulators eventually put an end to the illegal price-fixing, and at times when defendants were not able to maintain the inflated prices, DRAM prices dropped, Micron’s trading price declined and investors lost hundreds of millions of dollars in retirement and investment savings.

3. In addition to defendants’ liability for engaging in a deceptive scheme and course of business, defendants also made numerous false and misleading statements concerning prices for

DRAM products and Micron's financial results during the Class Period. These statements were misleading because they failed to disclose that Micron's DRAM prices and financial results were dependent upon and the result of illegal price-fixing agreements. Plaintiffs allege that these misleading statements violated Rule 10b-5(b) promulgated under §10(b) of the Exchange Act.

4. Micron has publicly admitted that it entered into illegal price-fixing agreements with other DRAM manufacturers during the Class Period in order to manipulate inflated DRAM prices. In addition, evidence of illegal misconduct by Micron employees, including internal e-mails, have been revealed.

5. On February 26, 2004, *The Wall Street Journal Europe* reported that the United States Federal Trade Commission ("FTC") had obtained evidence that Micron and its employees had engaged in a scheme to manipulate DRAM prices. The article reported that an Initial Decision dated February 23, 2004 (but not released on that date) by an FTC Chief Administrative Law Judge discussed internal Micron e-mail documenting the participation of Micron employees in a scheme with other DRAM manufacturers to manipulate DRAM prices. The Initial Decision identified a November 26, 2001 internal Micron e-mail from Kathy Radford ("Radford"), a Micron manager, that described efforts by DRAM manufacturers to raise DRAM prices and explained that various DRAM manufacturers had reached a consensus that if Micron raised its prices, the rest would do the same and would make the price increases stick.

6. Subsequently, on November 13, 2004, *The Idaho Statesman* published an article headlined, "Micron Given Amnesty by Justice Dept.; Deal Gives Firm Immunity in Price-Fixing Probe." The article stated in part:

Micron Technology has reached an agreement with the Department of Justice that will eliminate any possible criminal charges, fines or penalties resulting from the government's price-fixing investigation into the memory chip business.

* * *

A Micron spokesman Friday declined to say when the company entered into its agreement with the Department of Justice or how many other Micron employees might be involved in price fixing. The Department of Justice also hasn't said if additional Micron employees are facing charges.

Despite Appleton's admission that the investigation has revealed evidence of price fixing, he said the company remains free from any prosecution.

* * *

Thursday's admission that Micron was participating in the Justice Department's Corporate Leniency Policy suggests that the charges did pertain to the company.

Policy guidelines state: "The confession of wrongdoing is truly a corporate act as opposed to isolated confessions of individual executives or officials."

* * *

The news that Micron has an amnesty agreement with the Department of Justice comes two months after Micron competitor Infineon Technologies of Germany admitted that it conspired to fix prices. Infineon agreed to pay a \$160 million fine and assist in the ongoing investigation.

7. In June 2006, a series of e-mails were released that provide further evidence of actions by Micron employees to enter into price-fixing agreements with other DRAM manufacturers in order to manipulate DRAM prices. The e-mails identify specific requests by defendant Michael W. Sadler ("Sadler"), Micron's Vice President of Worldwide Sales, to meet with competitors in order to "discuss . . . the measures to stabilize the market price" (*see* Exhibit A, C. K. Chung e-mail dated July 3, 2001, attached hereto), and various communications between Micron employees and competitors in order to illegally exchange and coordinate DRAM pricing (*see* Exhibit B, Craig Stice

e-mail dated February 28, 2002; Exhibit C, H. Fredrick Jones e-mail dated February 13, 2002; Exhibit D, B. Lauer e-mail dated January 3, 2002, attached hereto).

8. By entering into illegal pricing agreements with other DRAM manufacturers, Micron was able to artificially inflate its own stock price. This deceptive course of business violated §10(b) of the Exchange Act and defrauded investors who were unaware of defendants' illegal activities. In addition, the manipulated DRAM price levels rendered statements concerning Micron's DRAM sales prices and its financial results false and misleading. When defendants were forced to abandon their illegal activity, investors lost hundreds of millions of dollars. The federal securities laws prohibit and provide a remedy for such misconduct.

BACKGROUND

9. Micron manufactures and markets semiconductor devices. The Company's products include DRAM products, which provide data storage and retrieval. Micron's products are used in various electronic applications, including personal computers, workstations, network servers, mobile phones, and other consumer electronic products.

10. At the start of the Class Period, Micron and its employees (along with others in its industry) were engaged in a scheme to manipulate DRAM prices. During 2001, the personal computer market was shrinking, but prices for DRAM and double data rate DRAM – the type of memory found in the vast majority of personal computers – were skyrocketing. Some types of DRAM memory tripled in price in a few months. As subsequently revealed, Micron and other DRAM manufacturers had illegally conspired to raise the prices they charged DRAM customers and agreed to maintain those high prices.

11. On June 17, 2002, the U.S. Department of Justice (“DOJ”) issued a federal grand jury subpoena to Micron, demanding documents relating to contacts and communications between DRAM manufacturers regarding any discussions relating to pricing and sales of DRAM chips. In an effort to continue concealing Micron’s complicity and defendants’ misconduct – while publicly claiming that the Company was instead cooperating with the government’s investigation – Micron and at least one employee altered handwritten notes and withheld notes pertaining to phone calls among Micron sales managers that concerned the price of DRAM chips from Micron’s competitors.

12. On November 13, 2004, Micron disclosed that it had entered into a secret amnesty agreement with the DOJ to avoid prosecution in the government’s price-fixing investigation. Such programs offer amnesty to a complicit company if it reports illegal antitrust activities before an investigation has begun, or if it is the first company to come forward when an illegal activity is first reported. With this disclosure, defendant Steven R. Appleton (“Appleton”), Micron’s Chairman, President and Chief Executive Officer, was forced to publicly retract his earlier statements that it was “not possible to control prices in this industry” and that the DOJ’s investigation was merely “theoretical,” admitting that “neither [was] the case.” Appleton admitted that the “DOJ’s investigation revealed evidence of price fixing by Micron employees and its competitors on DRAM sold to certain computer and server manufacturers.”

13. During the Class Period, Micron and its employees engaged in a deceptive course of business by manipulating DRAM prices in violation of the federal securities laws. In addition, defendants falsified the Company’s public statements and financial reporting by concealing the following material adverse facts from the investing public:

(a) That Micron and its co-conspirators had engaged in a course of business in the United States and elsewhere to suppress and eliminate competition by fixing the prices of DRAM to be sold to certain original equipment manufacturers (“OEMs”) of personal computers and servers.

(b) That the course of business by Micron and its competitors had been an unreasonable restraint of interstate and foreign trade and commerce in violation of §1 of the Sherman Act (15 U.S.C. §1).

(c) That the course of business Micron participated in consisted of a continuing agreement among Micron and other DRAM manufacturers to fix prices for DRAM.

(d) That for the purpose of carrying out the course of business, Micron and its competitors:

(i) Participated in meetings, conversations and communications in the United States and elsewhere to discuss the prices of DRAM to be sold to certain OEMs;

(ii) Agreed during those meetings, conversations, and communications to charge prices for DRAM at certain levels to be sold to certain OEMs;

(iii) Issued price quotations in accordance with the agreements reached;
and

(iv) Exchanged information on sales of DRAM to certain OEM customers for the purpose of monitoring and enforcing adherence to the agreed-upon prices, and artificially inflated the Company’s revenue and profits.

(e) That Micron’s publicly reported sales and earnings had been improperly inflated due to illegal price-fixing activities during the Class Period.

(f) That as a result of defendants' participation in the illegal price-fixing activities, Micron's sales and earnings reports and forward-looking price forecasts issued during the Class Period were false and misleading.

14. As a result of defendants' false and misleading Class Period statements, the Company's shares traded at inflated prices enabling the Company to issue more than \$632 million worth of debt in February 2003, sell over \$480 million worth of stock warrants in July and August 2001, and close a \$327.9 million acquisition in April 2002 of Dominion Semiconductor L.L.C. (which included \$58.1 million of consideration in the form of Micron common stock). Insiders also sold approximately \$4.5 million worth of their own personally held Micron stock at inflated prices during the Class Period.

JURISDICTION AND VENUE

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

16. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§1331, 1337, and §27 of the Exchange Act (15 U.S.C. §78aa).

17. Venue is proper in this District pursuant to §27 of the Exchange Act and 28 U.S.C. §1391(b). Many of the acts alleged herein occurred and/or are occurring in substantial part in this District.

18. 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.

THE PARTIES

19. On June 9, 2006, the Court appointed plaintiffs International Union of Operating Engineers, Local 132 Pension Plan, Chemical Valley Pension Fund of West Virginia, and Seymour Berman, as Trustee for the FBO Seymour Berman Revokable Trust (collectively, the “Micron Investors Group”) as lead plaintiffs in this action. These plaintiffs purchased the Micron securities identified in their certifications, and filed on April 25, 2006 with the Declaration of Philip Gordon in Support of the Motion of the Micron Investors Group for Consolidation, Appointment as Lead Plaintiff and for Approval of Selection of Lead and Liaison Counsel in this action.

20. Defendant Micron engages in the manufacture and marketing of semiconductor devices worldwide. Micron’s principal place of business is located at 8000 S. Federal Way, Boise, Idaho. Micron has approximately 617 million shares issued and outstanding.

21. Defendant Michael W. Sadler (“Sadler”) is, and was at all relevant times, Micron’s Vice President of Worldwide Sales. During the Class Period, Sadler sold approximately 22,000 shares of Micron stock at inflated prices receiving approximately \$936,000 in proceeds.

22. Defendant Steven R. Appleton (“Appleton”) is, and was at all relevant times, Chairman, President and Chief Executive Officer for the Company.

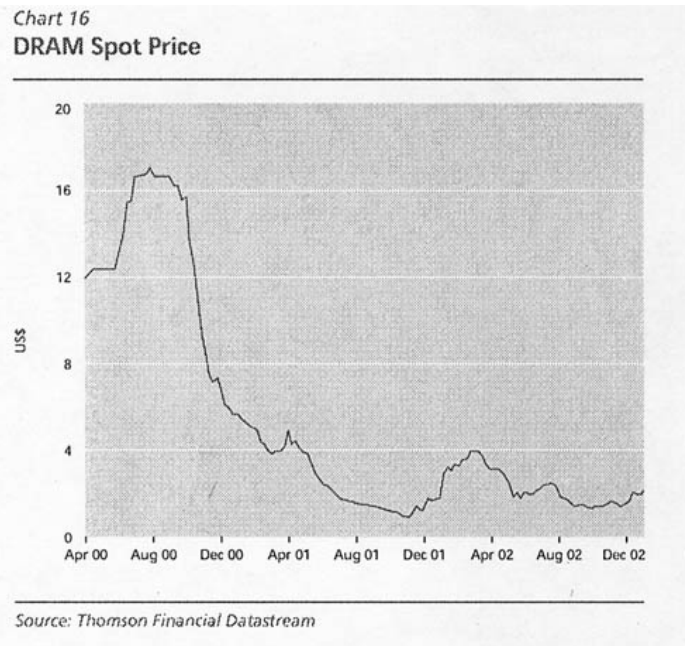
23. Defendant Wilbur G. Stover, Jr. (“Stover”) is, and was at all relevant times, Chief Financial Officer, Principal Accounting Officer and Vice President of Finance for the Company.

During the Class Period, Stover sold approximately 110,000 shares of Micron stock at inflated prices receiving approximately \$3.6 million in proceeds.

24. Defendants Appleton, Stover and Sadler are referred to herein as the “Individual Defendants.” They are liable for the false statements pleaded in ¶¶21-23, as those statements were “group-published” information.

**DEFENDANTS FRAUDULENTLY MANIPULATED THE TRADING PRICES OF
MICRON SECURITIES BY MANIPULATING THE PRICE OF DRAM**

25. Micron’s misconduct and the illegal conduct of its employees fraudulently inflated Micron’s securities prices and injured investors because changes in DRAM sales prices have a direct impact on the trading prices of Micron securities. When DRAM prices increase, Micron securities prices increase. When DRAM prices decrease, Micron securities prices decrease. As a result, when defendants artificially inflated DRAM prices, they fraudulently inflated Micron’s securities prices. The relationship between DRAM prices and Micron’s securities prices is widely recognized by financial analysts and is due to the fact that DRAM represented as much as 95% of Micron’s revenues. The close relationship between DRAM prices and Micron’s securities trading prices is demonstrated by the following charts. The first chart shows Micron’s securities prices between April 2000 and December 2002, while the second chart shows a DRAM spot price index for the same period.



26. Investigation by the federal government confirmed that the increase in DRAM prices at the end of 2001 was the product of criminal price-fixing behavior. In February 2004, the FTC

revealed in a 348-page decision that the FTC had uncovered evidence documenting a DRAM price-fixing conspiracy. Part of that evidence included a November 26, 2001 e-mail discussing efforts by Micron and Samsung Electronics Co., Ltd. (“Samsung”) to raise prices and stating that “[t]he consensus from all suppliers is that if Micron makes the move all of them will do the same and make it stick.” At about the same time as the November 26, 2001 e-mail, DRAM prices mysteriously spiked upwards in what *Electronics Supply & Manufacturing* described on November 13, 2001 as a “puzzling turnaround” that “sent analysts and participants scrambling for an explanation,” and according to a November 19, 2001 *Electronic Buyers News* article, left “everyone from suppliers to analysts perplexed.”

27. On November 11, 2004, Micron issued a press release which stated in part:

Micron Technology, Inc. (NYSE: MU), 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.

* * *

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.”

28. On November 13, 2004, *The Idaho Statesman* published an article entitled, “Micron Given Amnesty by Justice Dept.; Deal Gives Firm Immunity in Price-Fixing Probe” stating in part:

Micron Technology has reached an agreement with the Department of Justice that will eliminate any possible criminal charges, fines or penalties resulting from the government’s price-fixing investigation into the memory chip business.

Steve Appleton, Micron's chairman and chief executive officer, said the company is participating in a Justice Department amnesty program that provides companies with immunity from criminal charges, fines or penalties.

The program offers amnesty to a company if it voluntarily reports illegal antitrust activities before an investigation has begun, or if it is the first company to come forward when an illegal activity is first reported.

* * *

A Micron spokesman Friday declined to say when the company entered into its agreement with the Department of Justice or how many other Micron employees might be involved in price fixing. The Department of Justice also hasn't said if additional Micron employees are facing charges.

Despite Appleton's admission that the investigation has revealed evidence of price fixing, he said the company remains free from any prosecution.

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Thursday's admission that Micron was participating in the Justice Department's Corporate Leniency Policy suggests that the charges did pertain to the company.

Policy guidelines state: "The confession of wrongdoing is truly a corporate act as opposed to isolated confessions of individual executives or officials."

* * *

The news that Micron has an amnesty agreement with the Department of Justice comes two months after Micron competitor Infineon Technologies of Germany admitted that it conspired to fix prices. Infineon agreed to pay a \$160 million fine and assist in the ongoing investigation.

Appleton stated further that he "deplores any effort to fix or stabilize prices and is committed to rectifying past behavior and ensuring any misconduct will not recur."

29. Micron conspired with other manufacturers to fix DRAM prices. The misconduct inflated both DRAM prices and the trading prices of Micron securities.

**FALSE AND MISLEADING STATEMENTS
DURING THE CLASS PERIOD**

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

Micron Technology, Inc. (NYSE: MU), 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)

* * *

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.

31. On March 30, 2001, Salomon Smith Barney stated in part:

DRAM spot market prices, which have been relatively stable for the last couple of weeks at very distressed levels, picked up last week following the Micron conference call and the outlook for generally declining inventories. . . . The company was rather non-committal on its plans to change contract prices, saying if spot prices trend higher, they may raise contract slightly.

32. On June 21, 2001, the Company issued a press release entitled, “Micron Technology, Inc., Reports Consolidated Results for the Third Quarter of Fiscal 2001.” The release stated in part:

Micron Technology, Inc. (NYSE: MU), 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.

33. On June 22, 2001, Salomon Smith Barney stated, "In the past three weeks, the company has detected a material pickup in spot market activity, which has contributed, they believe, to slightly firmer prices."

34. On July 2, 2001, Robertson Stephens issued a report that stated, "Late last week, Micron held its annual analyst meeting where the company stated that contract pricing has fallen to the low-\$2 range, down from commentary on its conference call just over a week ago where it was in the mid-\$2 range."

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

Micron Technology, Inc. (NYSE: MU), 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.

* * *

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.

36. On December 18, 2001, the Company issued a press release entitled, "Micron Technology, Inc., Reports Consolidated Results for the First Quarter of Fiscal Year 2002." The release stated in part:

Micron Technology, Inc. (NYSE: MU), 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. . . .

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.

37. On December 18, 2001, Micron also held its first quarter 2002 conference call. During that call, Micron made the following statements:

Michael W. Sadler

Thanks [Bill]. Our fiscal Q1 can best be split into two fairly distinct periods with respect to assessment of memory demand. First half of the three-month period was characterized by sluggish demand and as expected, this resulted in continued pricing pressure that we have become accustomed to over the previous three or four quarters. In the latter half of October, we observed a significant uptake in demand and by the first quarter of November, this demand strength resulted in rather sharp stock market price increases. The robust demand environment has continued beyond the reporting period and today, *market prices are trending up in both the [spot] market and with our OEM customers.* The strengthening of the business in this

particular timeframe was not unexpected as we are in the midst of the typical high point with respect to demand seasonality. . . .

* * *

Charles Brusher

A couple of questions. First, the average price 128 in the quarter, I think, you quoted it as about \$1.40 . . . what is that analysis rebound where you see the average being sort of this at this point in time and the following question is if you back up the inventory charge your gross margin would be around negative 9 or 10% if prices are in fact recovering a little bit and yet this ongoing cross reduction that imply that if prices all you could actually see a positive gross margin score?

Michael W. Sadler

I will tackle the current market price issue. I think 140 was the average price throughout the quarter it is fair to say that we ended the quarter at something lower than that and it is also fair to say that the current prices substantially higher than that. We have implemented two price increases to our OEM customers since the middle part in November and in general the stock market prices has been moving up if not on a daily basis at least a couple of times for week since the first part of November. So, we are on the high one-dollar range pushing close to two dollars on 128 negative equivalent basis currently.

38. On December 18, 2001, Sadler was quoted in *TheStreet.com* as follows:

According to VP of Sales Mike Sadler, “in the latter half of October we saw a significant uptick in demand and by the first part of November this demand strength resulted in sharp spot market price increases. The robust demand environment has continued beyond the reporting period and today market prices are trending up in both the spot market and with OEM customers.” Sadler added, however, that the “strength is not unexpected” because seasonally it was timed with “the typical high point of demand.”

39. On December 26, 2001, Sadler was quoted in *Electronic Engineering Times* as follows:

DRAM prices have jumped recently, although it’s uncertain whether the trend will stick once the holiday PC buildup draws to a close. Since mid-November, Micron has increased contract prices to the extent that 128-Mbit devices are now “substantially higher” than last quarter’s \$1.40 average. Spot-market pricing is “in

the high \$1 range and pushing to \$2,” said Mike Sadler, Micron’s vice president of sales.

40. On February 1, 2002, Salomon Smith Barney stated, “Micron today is raising contract prices on 128Mbs from about \$3.00 to \$3.50-\$3.75, in line with other leading DRAM makers.”

41. On February 2, 2002, Sadler was quoted in *Toronto Star* as follows:

Micron Technology Inc., the second-largest maker of computer-memory chips, said memory prices have room to rise even after tripling in the past three months.

“The bias today is for continued price increases,” Mike Sadler, Micron’s vice-president of sales, said on a conference call.

42. On February 4, 2002, Bear Stearns stated:

The company raised contract prices again effective February 1 to the \$3.75 - \$4.00 range.

* * *

We are raising estimates to reflect continued DRAM price increases. . . .

DRAM DEMAND REMAINS STRONG

Micron Technology held an upbeat analyst meeting on Friday, during which they described continued strength in the DRAM market. The company indicated that inventory and pricing trends have continued to follow the trends seen in the December quarter in January, with inventories continuing to decline and average price per megabit continuing to rise. . . .

43. On February 4, 2002, Morgan Stanley stated:

Contract prices increased to \$3.50-\$4.00 range for February. DRAM vendors have been able to increase contract prices since December. If prices hold in the \$3.50-\$4.00 range, Micron believes it could achieve a \$250 million pre-tax benefit from net realizable values (NRVs) taken as inventory charges. More importantly, higher revenues lead to increased fixed cost absorption.

44. On February 4, 2002, UBS Warburg stated, “DRAM ASPs continued to increase in January and management believes prices will likely continue to rise in the near term. . . . On February 1, Micron increased its contract price for a 128Mb SDRAM to a range of US\$3.50 to \$4.00.”

45. On February 8, 2002, ABN AMRO stated:

We are raising our rating on Micron from Hold to Buy and are increasing our earnings estimates. . . .

The reason for the upgrade and sharp increase in estimates is a dramatically improved outlook for the DRAM market.

* * *

As a result we have dramatically increased our price assumptions for DRAM. . . .

Summary: We are increasing our rating on Micron to Buy from Hold, and we are raising our earnings estimates for 2002 and 2003 in line with our belief that DRAM will rise sharply over the next 12 months.

46. On March 21, 2002, the Company issued a press release entitled, “Micron Technology, Inc., Reports Consolidated Results for the Second Quarter of Fiscal Year 2002.” The release stated in part:

Micron Technology, Inc. (NYSE: MU), 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.

47. On March 21, 2002, Micron held its second quarter 2002 conference call. During the call, Micron made the following statements:

Bill Stover – *Micron Technology – Vice President of Finance and Chief Financial Officer*

* * *

Our second fiscal quarter also reflecting operations for December, January, and February are certainly a significant improvement over the prior quarter. This period, historically, is a seasonally slow period on the heels of the Christmas consumer buy season. This year the post-Christmas season was in considerably greater strength than anyone foresaw. *Average selling prices improved quarter over quarter by approximately 70 percent.*

* * *

Mike Sadler – *Micron Technology – Vice President of World Wide Sales*

* * *

With a strong demand and price recovery we have substantially depleted our finished goods inventory and are now at minimum levels to enable adequate performance of our customer's business models without major supply disruptions. In the computing space, at the present time, our entire customer base is please with the recent strength of decision demand, and they are getting more optimism with respect to the prospects for a broad base market recover in 2002.

* * *

Tim Mann – *Credit Suisse First Boston*

Thanks hey Mike a quick question on contracts. You probably just went through a recent round of contract negotiations. I'm wondering were there any change to the prices from earlier in the month?

Mike Sadler – *Micron Technology – Vice President of World Wide Sales*

There may have been some changes here and there but in general the pricing has been flat here for the entire month of March.

* * *

Larry Bergman – *Canterwise*

If you could just repeat the average price for the quarter and the end of the quarter and currently.

Mike Sadler – Micron Technology – Vice President of World Wide Sales

The average reference point we gave, 128 megs.

Bill Stover – Micron Technology – Vice President of Finance and Chief Financial Officer

Our Q2 was a little bit more than 250.

Steve Appleton – Micron Technology – President, Chairman and CEO

The current pricing is in the low five dollar area and at the very end of the quarter, if my memory serves me correctly, it was probably in the four 25 to 450 range.

48. On March 22, 2002, CS First Boston stated:

February revenues of \$646 million represented a 52% sequential increase in revenues. This is almost solely attributed to improved market conditions in DRAM, in our opinion, with ASPs increasing to the \$4.25-\$4.50 range at the end of the quarter for 128Mbit synchronous DRAMs, compared to ~\$2.50 at the beginning of the quarter.

49. On April 15, 2002, Dan K. Scovel of Needham & Company stated, “Micron management characterized 128-megabit synchronous DRAM contract prices at just over \$5 during its last conference call on March 21 and has recently described them in the mid-\$4 range.”

50. On June 25, 2002, the Company issued a press release entitled, “Micron Technology, Inc., Reports Consolidated Results for the Third Quarter of Fiscal Year 2002.” The release stated in part:

Micron Technology, Inc. (NYSE: MU), 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.

51. On June 25, 2002, Micron also held its third quarter 2002 conference call. During the call, Micron made the following statements:

Bill Stover – Micron Technology – VP of Finance and CFO

* * *

Late last calendar year, the semiconductor memory industry experienced higher than expected demand, falling inventories, and increasing selling prices. These conditions continued into late March of this year, when inventory levels bottomed and pricing peaked. Since early April, selling prices have fallen appreciably. For instance, the 256 Meg sync, which was selling for about \$10 in late March, sold for approximately \$5 in early June. With softening in demand for the last half of the quarter, we sold approximately 17% less total megabits of memory quarter over quarter.

* * *

Mike Sadler – Micron Technology – VP Worldwide Sales

* * *

As a result, the average selling prices for Micron's D Ram product offering declined by about 50% from their recent peak in the month of March.

I believe that this softening and associated price pressure can be attributed principally to two factors: Seasonal weakness in computer demand and relative leveling of memory content per system.

* * *

Mike Sadler – Micron Technology – VP Worldwide Sales

On the inventory piece, Joe – this is Mike speaking – yeah, our inventory did go up throughout the quarter. Since the end of the quarter – actually, in the last couple weeks of the quarter, it basically remained flat-ish and since the end of the quarter or since we’re three-and-a-half weeks into the new quarter, it’s come down slightly. That has coincided with what I would perceive as a general uptick in demand, both from the OEM side as well as the spot side. On the spot side, it’s resulted in a – in a price pickup of in the range of 20 to 30% in the spot market off the lows of three, four weeks ago.

* * *

Analyst

A quick follow-up. The recent uptick in spot market pricing, is that partly because your sales were down? There’s some talk about (inaudible) having some manufacturing problems. Do you think there was just less product on the market so prices have ticked up a little bit or do you think maybe demand pull or maybe some of both.

Kip Bedard – *Micron Technology*

I can only speak from our standpoint, and we’ve had enough inventory to feed into the spot market while prices have been going up, so I don’t think there have been a lot of orders in the spot market that we weren’t able to fill. So I – the only thing I contribute it to is demand.

* * *

Analyst

Okay. Any chance you guys can give us a – maybe just a range of where contracts are being signed at right now?

Mike Sadler – *Micron Technology – VP Worldwide Sales*

In the – on the 128 meg equivalent basis in the 2 to 250 range.

* * *

Analyst

Cantor Weiss. I just want to clarify the average selling price during the quarter for both 128 and 256, and if you could compare it with the prior quarter as well.

Bill Stover – Micron Technology – VP of Finance and CFO

The information we have provided in the press release indicated on per megabit basis the average in Q3 was 44% higher than Q2. A couple reference points for you. 128 meg sync that we had indicated in Q2 was about 250, moved to between 450 and \$5 in Q3. DDR just increased modestly on the 128 meg. We had already indicated that on the 256 meg sync, our Q2 was a little less than 6 bucks, Q3 close to 10 bucks, and on the DDR, just about 8 bucks in Q2, and about 9 bucks in Q3.

52. On June 17, 2002, Micron announced that it had received a subpoena from the DOJ in connection with an investigation into potential price-fixing in the DRAM market. Micron denied any knowledge of DRAM price-fixing. Micron's Vice President of Corporate Affairs Kipp A. Bedard said that Micron "does not believe it has violated U.S. antitrust laws" and assured investors that "[t]he DRAM business is highly competitive."

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

Micron Technology, Inc. (NYSE: MU), 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.

54. On September 24, 2002, Micron held a conference call to discuss its 2002 fiscal fourth quarter and year end financial results. Kipp Bedard ("Bedard"), Micron's Vice President of

Corporate Affairs, Appleton, Stover and Sadler participated in the call. During the call, Sadler stated:

I'm going to be real hesitant to make a prediction on what DDR pricing is going to do. That's going to be dependent on our competitors ability to get more products into the marketplace. I can tell you the last price move on DDR was up. We're putting very little DDR product into the spot market because we're scrambling to get DDR material into the hands of our OEM customers. I couldn't give much of a barometer on the spot markets. Based on what our customers are telling us they're projecting that the DDR situation is going to be tight probably through the Christmas consumer selling season. So you can draw your own conclusions from there.

Bedard stated:

Again for competitive reasons, we don't want to give specifics. But for the 128 Meg, SDRAM you've primarily been in the 2 dollar range for most of the quarter and recently a little bit of pressure on that for the high one dollar range. For the 128 meg DDR, it started in the 2 dollar range in the beginning of the quarter and ended up exiting at around 3 or high 2s. And the 256 Meg for the most part is double that, in most cases.

55. On December 17, 2002, the Company issued a press release entitled, "Micron Technology, Inc., Reports Results for the First Quarter of Fiscal Year 2003." The release stated in part:

Micron Technology, Inc. (NYSE: MU), 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.

56. On December 17, 2002, Micron held a conference call to discuss its 2003 fiscal first quarter financial results. Bedard, Appleton, Stover and Sadler participated in the call. During the call, Sadler stated:

Let me go ahead and set the framework for what prices are currently. For the SDRAM, in the high \$3 range, for 256 megabit, for double data rate, in the high \$6 range. Our expectation is that over time, in the intermediate range that we are going to see price parity in the marketplace for the SDRAM and DDR interfaces, more than likely probably an increase of the SDRAM pricing and a decrease of the DDR, based on our knowledge of what we can do from a cost standpoint as well as our assessment of what the industry can do.

In response to a question from Dan K. Scovel of Needham & Company concerning "the average on the sync DRAM price," Sadler also stated, "256MB sync was about 325. The 128MB sync, probably 2.25."

EVIDENCE OF MICRON'S KNOWING PARTICIPATION IN A DECEPTIVE COURSE OF BUSINESS TO MANIPULATE DRAM PRICES

57. The following allegations demonstrate defendants' deliberate participation in a deceptive course of business intended to manipulate DRAM prices. The allegations establish defendants' scienter and demonstrate the falsity of defendants' misleading statements.

58. On June 17, 2002, Micron announced that it had received a subpoena from the DOJ in connection with an investigation into potential price-fixing in the DRAM market. Micron denied any knowledge of DRAM price-fixing. Micron's Vice President of Corporate Affairs Kipp A. Bedard said that Micron "does not believe it has violated U.S. antitrust laws" and assured investors that "[t]he DRAM business is highly competitive."

59. As a result of that investigation, however, three leading DRAM manufacturers and numerous executives have pled to criminal price-fixing. On September 15, 2004, Infineon Technologies AG ("Infineon") pled guilty to participating in a criminal conspiracy to suppress and eliminate competition by fixing the prices of DRAM to be sold to certain OEM customers between July 1, 1999 and June 15, 2002. Infineon was sentenced to pay a \$160 million criminal fine. In December 2004, four Infineon executives also pled guilty to violating federal antitrust laws. Each of the Infineon executives received prison time and was ordered to pay a fine of \$250,000.

60. On April 21, 2005, Hynix Semiconductor Inc. ("Hynix") announced that it had agreed to plead guilty to criminal price-fixing and to pay a \$185 million criminal penalty. A year later, on March 1, 2006, the DOJ announced that four Hynix executives had also agreed to plead guilty and to serve jail time.

61. On October 13, 2005, the DOJ announced that Samsung had agreed to plead guilty to criminal price-fixing between April 1999 and June 2002. As a result of the plea agreement, Samsung agreed to pay a \$300 million criminal penalty. On March 22, 2006, the DOJ announced that three Samsung executives also had also agreed to plead guilty and to serve prison time.

62. On November 3, 2004, Appleton, Micron's Chairman, President and Chief Executive Officer, was quoted stating that it was "not possible to control pricing" and that the DOJ's DRAM investigation was merely "theoretical." Days later, however, on November 11, 2004, Appleton was forced to admit that the "DOJ's investigation revealed evidence of price fixing by Micron employees and its competitors on DRAM sold to certain computer and server manufacturers."

63. On November 13, 2004, *The Idaho Statesman* published an article headlined, "Micron Given Amnesty by Justice Dept.; Deal Gives Firm Immunity in Price-Fixing Probe." The article stated in part:

Micron Technology has reached an agreement with the Department of Justice that will eliminate any possible criminal charges, fines or penalties resulting from the government's price-fixing investigation into the memory chip business.

* * *

A Micron spokesman Friday declined to say when the company entered into its agreement with the Department of Justice or how many other Micron employees might be involved in price fixing. The Department of Justice also hasn't said if additional Micron employees are facing charges.

Despite Appleton's admission that the investigation has revealed evidence of price fixing, he said the company remains free from any prosecution.

64. More recently, in June 2006, a series of e-mails were made public that provide evidence of efforts by Micron employees to enter into price-fixing agreements with other DRAM manufacturers in order to manipulate DRAM prices. On July 3, 2001, a Hynix employee, C. K. Chung ("Chung"), reported via e-mail that defendant Sadler had asked Hynix employee Gary Swanson to meet to discuss "measures to stabilize the market price." The e-mail reported that Sadler had repeated the request that morning to a second Hynix employee. Exhibit A.

65. An internal Micron e-mail from Craig Stice (“Stice”), dated February 28, 2002, documented communications between Micron employees and competitors in order to illegally exchange and coordinate DRAM pricing: “Just talked to Hynix . . . pricing around \$1.40 to \$1.50 [for 1Mx16]” and “Talked to Sammy [Samsung] and they have started to indicate [M]arch pricing at \$3.50 but will settled [sic] between \$2.75 to \$3.10.” Exhibit B.

66. A February 13, 2002 internal Micron e-mail from H. Fredrick Jones revealed that Stice had “[h]eard from our contact at Samsung that they are not quoting anything under \$2.50, and are shooting for \$2.75.” Micron employees indicated that they approved moving “the price guidelines up to \$2.50” and that they “will need to increase pricing on 64Meg” in response to this information. Exhibit C.

67. A January 3, 2002 internal Micron e-mail from B. Lauer on the subject of “pricing” revealed that “Mike B. from Sammy [Samsung] [had] called” again and “[w]anted some direction.” Exhibit D.

68. The allegations set out above demonstrate that Micron employees, including defendant Sadler, were knowing participants in a deceptive course of business that was intended to manipulate and inflate DRAM price levels. Micron’s participation in the illegal price-fixing agreements and its manipulation of DRAM prices rendered statements concerning DRAM prices and Micron’s financial results false and misleading due to the failure to disclose the existence of the illegal DRAM price manipulation and Micron’s reliance on the price-fixing agreements to achieve those results. In addition, the allegations demonstrate that plaintiffs have complied with the

applicable statute of limitations. Plaintiffs' complaint in this matter was filed within two years of the February 26, 2004 disclosure of the FTC's Initial Decision.

LOSS CAUSATION/ECONOMIC LOSS

69. During the Class Period, defendants engaged in a course of business that artificially inflated Micron's stock price and operated as a fraud or deceit on purchasers of Micron stock. Participants in the scheme have admitted that DRAM prices were the target of a price-fixing scheme between April 1999 and June 2002. As a result of the scheme, defendants were able to maintain Micron stock at prices as high as \$48 per share in early 2001. In response to DRAM and stock price declines in September 2001, Micron and other DRAM manufacturers renewed their efforts to inflate DRAM prices. As a result, Micron's stock price doubled from under \$18 per share in September 2001 to over \$39 per share in mid-February 2002. The chart set out below compares Micron's stock price with the NASDAQ average and shows how defendants were able to inflate Micron's stock price well above market trends between November 2001 and June 2002.



At times when defendants were no longer able to manipulate and inflate DRAM prices due either to increased regulator scrutiny or weakening of the price-fixing efforts, Micron's true financial circumstances were revealed. Micron's stock price fell to as low as \$7 per share on February 12, 2003 as the prior artificial inflation came out of Micron's stock price. As a result of their purchases of Micron stock during the Class Period, plaintiffs and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

FIRST CLAIM FOR RELIEF

For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Against All Defendants

70. Plaintiffs incorporate ¶¶1-69 by reference.

71. 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.

72. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder 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 the 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 plaintiffs and others similarly situated in connection with their purchases of Micron publicly traded securities during the Class Period.

73. Plaintiffs and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Micron publicly traded securities. Plaintiffs and the Class would not have purchased Micron publicly traded securities at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

74. As a direct and proximate result of these defendants' wrongful conduct, plaintiffs and the other members of the Class suffered damages in connection with their purchases of Micron publicly traded securities during the Class Period.

SECOND CLAIM FOR RELIEF

For Violation of Section 20(a) of the Exchange Act Against All Defendants

75. Plaintiffs incorporate ¶¶1-74 by reference.

76. The executive officers of Micron prepared, or were responsible for preparing, the Company's public statements, financial reporting, and SEC filings. The Individual Defendants controlled Micron and other Micron employees. Micron controlled the Individual Defendants and each of its officers, executives and all of its employees. By reason of such conduct, the Individual Defendants and Micron are liable pursuant to §20(a) of the Exchange Act.

CLASS ACTION ALLEGATIONS

77. Plaintiffs bring this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all persons who purchased Micron publicly traded securities on the open market during the Class Period (the "Class"). Excluded from the Class are defendants, directors and officers of Micron and their families and affiliates.

78. 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. During the Class Period, Micron had more than 617 million shares outstanding, owned by thousands of persons.

79. 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 Exchange 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, plaintiffs pray for judgment as follows:

- A. Declaring this action to be a proper class action pursuant to Rule 23 of the Federal Rules of Civil Procedure;
- B. Awarding damages, including interest, to plaintiffs and the members of the Class;
- C. Awarding reasonable costs, including attorneys' fees, to plaintiffs and the members of the Class; and
- D. Awarding such equitable, injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury.

DATED: July 24, 2006

LERACH COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
PATRICK J. COUGHLIN
JOHN K. GRANT
MARY K. BLASY

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Exhibit A

From: ckchung
To: DSKim
CC: ftabrizi@hynix.com; KunChul Suh - Hynix; Gary Swanson - Hynix
BCC:
Subject: Micron - Mike Sadler
Date: 7/3/2001 5:43:06 PM

Attachments:

SMN;

Gary Swanson told me yesterday that Mike Sadler wanted to discuss with us on the measures to stabilize the market price. Good move, right? Farhad got the same message from Mike this morning. I think your diplomacy is working. Will work with Farhad and see whether Mike can be down in San Jose in the afternoon of July 16 or in the afternoon of July 17.

Best Regards,

C. K. Chung
Memory Sales & Marketing Division
Hynix Semiconductor
Tel : 82-2-3459-3915
Fax : 82-2-3459-3990
ckchung@hynix.com <mailto:ckchung@hynix.com>
Building Value Is Our Best Defense !!!

Exhibit B

--

From: cgstice
Sent: Thursday, February 28, 2002 7:58 AM
To: llim
Cc: lturner
Subject: RE: 64M SDRAM pricing

Good information, thanks!

Craig

-----Original Message-----

From: llim
Sent: Wednesday, February 27, 2002 8:22 PM
To: cgstice
Cc: lturner
Subject: RE: 64M SDRAM pricing

Just talked to Hynix and their volume is approx 6 to 7Mil /mth. Pricing is around the same level as Samsung. For 1Mx16 SDR their output is approx 10Mil and pricing around \$1.40 to \$1.50

-----Original Message-----

From: llim
Sent: Tuesday, February 26, 2002 4:18 PM
To: cgstice
Cc: lturner
Subject: RE: 64M SDRAM pricing

Talked to Sammy and they have started to indicate march pricing at \$3.50 but will settled between \$2.75 to \$3.10 . Currently they have no plan to ramp this and put a 5Mil/mth output. Guess the wild card for this item is from the Taiwanese folks as whether they are planning to ramp this product ??

-----Original Message-----

From: cgstice
Sent: Saturday, February 09, 2002 7:41 AM
To: llim
Subject: RE: 64M SDRAM pricing

Thanks!

-----Original Message-----

From: llim
Sent: Friday, February 08, 2002 4:39 PM
To: cgstice
Subject: RE: 64M SDRAM pricing

Will check after the Chinese New Year since Asia practically shut down next week.

-----Original Message-----

From: cgstice
Sent: Saturday, February 09, 2002 7:35 AM
To: llim
Subject: RE: 64M SDRAM pricing

Have you heard anything from Hynix, and what price they are quoting?

-----Original Message-----

From: llim
Sent: Friday, February 08, 2002 4:27 PM

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MU00136390

To: cgstice
Subject: RE: 64M SDRAM pricing

Wow number is too small. We are seeing more demand coming with some of the Netcom customers starting to build products as well DVD.

-----Original Message-----

From: cgstice
Sent: Saturday, February 09, 2002 7:24 AM
To: llim
Subject: RE: 64M SDRAM pricing

Yes, we are increasing our wafer starts for Y84B. Right now we are at about 1mil/wk units out (x4,x8,x16), but this will be going down steadily through March to less than 400k/wk. We probably will not see the new wafer until the first - mid part of April.

-----Original Message-----

From: llim
Sent: Friday, February 08, 2002 4:17 PM
To: cgstice
Subject: RE: 64M SDRAM pricing

Are we starting more wafers on this part and what's the output now ?

-----Original Message-----

From: cgstice
Sent: Saturday, February 09, 2002 7:16 AM
To: llim; yunsong; jlin
Subject: RE: 64M SDRAM pricing

If you hear any further news, Please let me know.

Kind regards,
Craig

-----Original Message-----

From: llim
Sent: Friday, February 08, 2002 4:09 PM
To: cgstice; yunsong; jlin
Subject: RE: 64M SDRAM pricing

Think every supplier is short of this 4x16 and has become the hottest part in the market especially brokers are looking for this.

In spot , I hear it want to a high of \$2.75 but for generally OEM pricing it is around the \$2 to \$2.20 mark. While high volume purchase customers are at \$1.75 average. Believed this continues to be tight for at least the next 2months. Heard Samsung Indicating at \$2.50 for March???

-----Original Message-----

From: cgstice
Sent: Saturday, February 09, 2002 6:09 AM
To: yunsong; jlin; llim
Subject: 64M SDRAM pricing
Importance: High

Hello,
I am curious what you are hearing our competitors are quoting for price on 64M SDRAM (x4, x8, x16). Also if you have any ideas to their inventory levels or leadtimes, I'd be interested in knowing.

Thank you,

Craig Stice
Micron Product Marketing
(208)363-3397
(208-368-4617 fax
email: cgstice@micron.com

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MU00136392

Exhibit C

From: fredjones
Sent: Wednesday, February 13, 2002 4:13 PM
To: cgstice; sthorsen; fwaddel; ltumer
Cc: blauer
Subject: RE: 64M SDRAM pricing guidelines

We will need to increase pricing on 64Meg.

H. Fredrick Jones
Manager, Worldwide Distribution Sales and Operations
Micron Semiconductor Products, Inc.
Ph: 208-368-3921 Cell/Pager: 208-890-6160

-----Original Message-----

From: cgstice
Sent: Wednesday, February 13, 2002 3:41 PM
To: sthorsen; fwaddel; ltumer; fredjones
Cc: blauer
Subject: RE: 64M SDRAM pricing guidelines

FYI:
Heard from our contact at Samsung that they are not quoting anything under \$2.50, and are shooting for \$2.75 on x16 64M SDRAM. Said he is very surprised that we are as low as we are.

Craig Stice
Micron Product Marketing
(208)363-3397
(208-368-4617 fax
email: cgstice@micron.com

-----Original Message-----

From: sthorsen
Sent: Tuesday, February 12, 2002 12:58 PM
To: cgstice; fwaddel; ltumer; fredjones
Cc: blauer
Subject: RE: 64M SDRAM pricing guidelines

OK with me to move the price guidelines up to \$2.50.

-----Original Message-----

From: cgstice
Sent: Tuesday, February 12, 2002 11:44 AM
To: sthorsen; fwaddel; ltumer; fredjones
Cc: blauer
Subject: 64M SDRAM pricing guidelines

I wanted to suggest that we increase the pricing guidelines on the 64M SDRAM (x4, x8, x16) from the current price of \$2.00, to at least \$2.50. Spot prices have increased steadily to \$2.40, and we have heard Samsung is now quoting \$2.50. I might even suggest moving guidelines to \$2.75-\$3.00, just to test the waters.

I would also suggest, if your not already, aggressively pushing our contract pricing to the \$2.25 mark.

Your thoughts?

Craig Stice
Micron Product Marketing
(208)363-3397

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MJ00136098

Exhibit D

From: blauer
Sent: Thursday, January 03, 2002 11:02 AM
To: sthorsen
Subject: RE: pricing

I get the feeling they do not talk.

(408) 544-4534 office

(408) 836-0030 mobile

-----Original Message-----

From: sthorsen
Sent: Thursday, January 03, 2002 10:50 AM
To: blauer
Subject: RE: pricing

Strange, I have been talking to Tom, but would be glad to call him. Do you have his number? I lost the scrap of paper you wrote it on last time.

-----Original Message-----

From: blauer
Sent: Thursday, January 03, 2002 10:20 AM
To: sthorsen
Subject: pricing

Mike B. from Sammy called me again. Can you call him? Wanted some direction.

-----Original Message-----

From: sthorsen
Sent: Thursday, January 03, 2002 10:11 AM
To: blauer
Subject: RE: Request for increase 256Mbit x18 to FIC and Arima for NEC project

\$19'ish on 128MB SDR / \$23.50'ish on DDR.
Compaq is done, Dell shortly and the rest are falling in line.
Still some ways to go to profitability, but we are getting there.

CERTIFICATE OF SERVICE

I hereby certify that on July 24, 2006, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

/s/ John K. Grant

JOHN K. GRANT

LERACH COUGHLIN STOIA GELLER

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100 Pine Street, Suite 2600

San Francisco, CA 94111

Telephone: 415/288-4545

415/288-4534 (fax)

E-mail: johnG@lerachlaw.com

Mailing Information for a Case 1:06-cv-00085-BLW

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Manual Notice List

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