

1 Patrice L. Bishop (182256)  
2 [service@ssbla.com](mailto:service@ssbla.com)  
3 STULL, STULL & BRODY  
4 10940 Wilshire Boulevard  
5 Suite 2300  
6 Los Angeles, CA 90024  
7 Tel: (310) 209-2468  
8 Fax: (310) 209-2087

9 Jules Brody  
10 Aaron L. Brody  
11 Tzivia Brody  
12 STULL, STULL & BRODY  
13 6 East 45th Street  
14 New York, NY 10017  
15 Tel: (212) 687-7230  
16 Fax: (212) 490-2022

17 **Attorneys for Movants and**  
18 **Proposed Lead Counsel for the Class**

19 **UNITED STATES DISTRICT COURT**  
20 **NORTHERN DISTRICT OF CALIFORNIA**

21 MURRAY ZUCKER, on Behalf of Himself )  
22 and All Others Similarly Situated, )  
23 )  
24 Plaintiff, )  
25 )  
26 v. )  
27 )  
28 ZORAN CORPORATION, UZIA GALIL, )  
LEVY GERZBERG, KARL SCHNEIDER, )  
ISAAC SHENBERG, RAYMOND A. )  
BURGESS, JAMES D. MEINDL, JAMES )  
B. OWENS, JR., DAVID RYNNE, )  
ARTHUR B. STABENOW, PHILIP M. )  
YOUNG, )  
Defendants. )

CASE NO. C06-04843 WHA

CLASS ACTION

**MURRAY ZUCKER AND GILBERT  
KEY'S REPLY TO MENORA MIVTAHIM  
AND MIDDLESEX RETIREMENT'S  
OPPOSITION TO MOTION TO APPOINT  
LEAD PLAINTIFF AND LEAD COUNSEL  
OPPOSITION**

DATE: December 7, 2006  
TIME: 10:00 a.m.  
JUDGE: Honorable William H. Alsup  
CTRM: 9, 19<sup>th</sup> Floor

1 Murray Zucker and Gilbert R. Key, II (hereinafter “Movants”) hereby respectfully reply to  
2 the Menora Mivtahim Mutual Funds Ltd. (“Menora”) and Middlesex Retirement System’s  
3 (“Middlesex”) Opposition to Movants’ Motion for Appointment of Lead Plaintiffs and Lead  
4 Counsel Pursuant to Section 21D of the Securities Exchange Act of 1934.

5 **I. ARGUMENT**

6 In their Opposition, Menora and Middlesex have failed to refute Movants’ position that they  
7 are “most adequate plaintiff” under the Private Securities Litigation Reform Act (“PSLRA”).  
8 §21D(a)(3)(B)(iii)(I); 15 U.S.C. §78u-4(a)(3)(B)(iii)(I). As outlined in Movants’ moving papers  
9 and Opposition to Menora and Middlesex’s Motion for appoint as Lead Plaintiffs, only Movants  
10 satisfy the requirements for Fed. R. Civ. P. 23, as required by the PSLRA. *Id.* Moreover, Menora  
11 and Middlesex’s argument regarding the statute of limitations issue is incomplete and premature.  
12 For each of these reasons, and as more fully outlined below and in Movants’ moving and opposition  
13 papers, Movants Zucker and Key respectfully request this Court appoint them as Lead Plaintiffs and  
14 approve their choice of Stull, Stull & Brody as Lead Counsel pursuant to the PSLRA. *Id.*

15 **A. Only Movants Zucker and Key Satisfy the PSLRA’s Requirements**

16 As outlined in plaintiff Zucker’s Complaint, this is a class action alleging violations of  
17 §14(a) with regards to Zoran Corporation’s (“Zoran” or the “Company”) Form(s) DEF 14A  
18 (collectively, the “Definitive Proxies”) filed with the Securities Exchange Commission (“SEC”) on:

- 19 ● April 30, 1999;
- 20 ● June 26, 2000;
- 21 ● April 30, 2001;
- 22 ● April 30, 2002;
- 23 ● July 7, 2003;
- 24 ● April 29, 2004;
- 25 ● June 1, 2005;
- 26 ● May 1, 2006.

27 Accordingly, it is important that the appointed lead plaintiff(s) possess stock on the above  
28 enumerated dates because the lead plaintiff(s) must be a typical member of the Class. *See* 15 U.S.C.

1 §78u-4(a)(3)(B)(iii)(I)(cc); *In re Cavanaugh*, 306 F.3d 726, 729 (9th Cir. 2002) (the PSLRA  
2 instructs district courts to select as Lead Plaintiff the plaintiff “most capable of adequately  
3 representing the interests of class members.”)

4 Movants, unlike Menora and Middlesex, are typical members of the class. Indeed, Movant  
5 Key owned Zoran stock when the Company filed and issued its Definitive Proxies on April 30,  
6 1999, June 26, 2000, April 30, 2001, April 30, 2002, July 7, 2003, April 29, 2004, June 1, 2005, and  
7 May 1, 2006, and Movant Zucker owned Zoran stock when the Company filed and issued its  
8 Definitive Proxies on April 30, 2001, April 30, 2002, July 7, 2003, April 29, 2004, June 1, 2005,  
9 and May 1, 2006. *See* Exhibits A and B to the Declaration of Patrice L. Bishop in Support of  
10 Motion of Murray Zucker and Gilbert R. Key, II for Appointment of Lead Plaintiffs and Lead  
11 Counsel Pursuant to Section 21D of The Securities Exchange Act of 1934.

12 In contrast, Middlesex and Menora’s three separate funds each only held stock at the times  
13 relevant to Zoran’s Definitive Proxy dated April 29, 2004.<sup>1</sup> Because Middlesex and Menora  
14 cannot assert claims on behalf of the class with regards to the majority of the relevant Definitive  
15 Proxies, they cannot “satisfy the requirements of Rule 23 of the Federal Rules of Civil Procedure.”  
16 15 U.S.C. §78u-4(a)(3)(B)(iii)(I)(cc); *see also Cavanaugh*, 306 F.3d at 729.

17 **B. Minora and Middlesex’s Argument Concerning the Applicable Statute of**  
18 **Limitations is Premature and Incomplete**

19 This is not a motion to dismiss. Therefore, Menora and Middlesex’s argument concerning  
20 the alleged statute of limitations is misplaced. Indeed, Menora and Middlesex have seemingly  
21 ignored the Sarbanes-Oxley Act (Public Company Accounting Reform and Corporate  
22 Responsibility) 28 U.S.C. § 1558(b) (hereinafter “Sarbanes-Oxley”) and failed to cite to any binding  
23 authority for their argument that the applicable statute on this action is “only year from discovery or  
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25  
26 <sup>1</sup> As outlined in Movants’ Opposition, while one of Menora’s separate funds, the Emda  
27 Menaitit Agressive fund, apparently owned Zoran stock on the date of the Company issued its June  
28 1, 2005 Definitive Proxy, the fund sold its stock on July 5, 2005, before the Definitive Proxy’s  
voting date of July 13, 2005. *See Beebe v. Pacific Realty Trust*, 99 F.R.D. 60, 72-73 (D. Or. 1983)  
(proposed class representative who sold shares prior to vote could not assert a claim under §14(e)).

1 three years from the occurrence.” *See* Menora and Middlesex’s MPA in Opposition to Other  
2 Motions (“Menora Opp.”) at 6:6-8.

3 Sarbanes-Oxley specifically states, in relevant part, that “a private right of action that  
4 involves a claim of fraud deceit, manipulation, or contrivance in contravention of a regulatory  
5 requirement concerning the securities laws . . . may be brought not later than the earlier of -- (1) 2  
6 years after the discovery of the facts constituting the violation; or (2) 5 years after such violation.”  
7 *See* Sarbanes-Oxley. If this Court were to accept Menora and Middlesex’s argument it would be  
8 accepting a blanket assertion that Sarbanes-Oxley essentially does not apply to a claim unless it is  
9 asserted under §10(b) of the Exchange Act. This is an untenable theory which is not support by the  
10 language of statute. Indeed, if the legislature had intended for Sarbanes-Oxley to only apply to  
11 actions alleging §10(b) of the Exchange Act, they would have likely stated that in the body of the  
12 text as they did in §27A of the Exchange Act.<sup>2</sup>

13 Moreover, if this Court were to accept Menora and Middlesex’s argument concerning the  
14 statute of limitations, it would accept that allegations contained in plaintiff Zucker’s complaint  
15 should be dismissed prior to this Court appointing lead plaintiff(s) and prior to the appointed lead  
16 plaintiff(s) having the opportunity to amend and/or modify plaintiff Zucker’s complaint, the only  
17 class action complaint on file against defendants. Such a procedure would be backwards, and  
18 should not be followed.

19 Finally, while plaintiff Zucker and Movant Key stress that it is premature to test plaintiff’s  
20 Complaint in this manner at this time, they also note that if the Court were to accept Menora and  
21 Middlesex’s statute of limitations argument, only Movants Zucker and Key possessed stock on the  
22 dates relevant to the Definitive Proxies filed on June 1, 2005 and May 1, 2006. Therefore, only  
23 Movants Zucker and Key are typical members of the class and only they should be appointed as  
24 Lead Plaintiffs pursuant to the PSLRA.

25  
26  
27 <sup>2</sup> §27A, entitled “Special Provision Relating to Statute of Limitations on Private Causes of  
28 Action, states, in relevant part, that the “limitation period for any private civil action implied under  
section 10(b) of this Act that was commenced on or before June 19, 1991 . . .”



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**PROOF OF SERVICE**

STATE OF CALIFORNIA )  
 )ss.:  
COUNTY OF LOS ANGELES )

I am employed in the county of Los Angeles, State of California, I am over the age of 18 and not a party to the within action; my business address is 10940 Wilshire Boulevard, Suite 2300, Los Angeles, CA 90024.

On November 16, 2006, I served the document(s) described as **MURRAY ZUCKER AND GILBERT KEY'S REPLY TO MENORA MIVTAHIM AND MIDDLESEX RETIREMENT'S OPPOSITION TO MOTION TO APPOINT LEAD PLAINTIFF AND LEAD COUNSEL OPPOSITION** by placing a true copy(ies) thereof enclosed in a sealed envelope(s) addressed as follows:

**SEE ATTACHED SERVICE LIST**

I served the above document(s) as follows:

xx BY MAIL. I am familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in an affidavit.

I further declare, pursuant to Civil L.R. 23-2, that on the date hereof I served a copy of the above-listed document(s) on the Securities Class Action Clearinghouse by electronic mail through the following electronic mail address provided by the Securities Class Action Clearinghouse:

**scac@law.stanford.edu**

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on November 16, 2006, at Los Angeles, California 90024.

MELANIE JACOBS  
Type or Print Name

/s/  
Signature

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Jules Brody  
Aaron L. Brody  
Tzvia Brody  
STULL, STULL & BRODY  
6 East 45th Street  
New York, NY 10017  
Tel: (212) 687-7230  
Fax: (212) 490-2022

**Attorneys for Movant Justin  
Shenkarow and Proposed Lead  
Counsel for the Class**

Joseph H. Weiss  
WEISS & LURIE  
551 Fifth Avenue  
Suite 1600  
New York, NY 10176  
Tel: (212) 682-3025  
Fax: (212) 682-3010

**Attorneys for Plaintiff Murray Zucker**

Andrei V. Rado  
[arado@labaton.com](mailto:arado@labaton.com)  
[info@labaton.com](mailto:info@labaton.com)  
LABATON SUCHAROW & RUDOFF LLP  
100 Park Avenue  
New York, NY 10017  
Tel: (212) 907-0700  
Fax: (212) 818-0477

**Attorneys for Movants, the Institutional  
Investors, and Proposed Co-Lead Counsel**

Jacob Sabo  
[sabolaw@inter.net.il](mailto:sabolaw@inter.net.il)  
THE LAW OFFICE OF JACOB SABO  
The Tower No. 3  
Daniel Frisch Street, 15th Floor  
Tel Aviv, Israel 64731  
Tel: 011-972 3 607 88 88  
Fax: 011-972 3 607 88 89

**Attorneys for Movants the Institutional  
Investors**

Jay L. Pomerantz  
[jpomerantz@fenwick.com](mailto:jpomerantz@fenwick.com)  
Felix S. Lee  
[flee@fenwick.com](mailto:flee@fenwick.com)  
FENWICK & WEST LLP  
801 California Street  
Mountain View, CA 94041  
Tel: (650) 988-8500  
Fax: (650) 938-5200

**Attorneys for Defendants Zoran  
Corporation, Levy Gerzberg, Karl  
Schneider, Raymond A. Burgess, James D.  
Meindl, James B. Owens, Jr., David Rynne,  
Arthur B. Stabenow, and Philip M. Young**