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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 Plaintiff, )

24 v. )

25 ZORAN CORPORATION, UZIA GALIL, )  
26 LEVY GERZBERG, KARL SCHNEIDER, )  
27 ISAAC SHENBERG, RAYMOND A. )  
28 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 OPPOSITION TO MENORA  
MIVTAHIM AND MIDDLESEX  
RETIREMENT'S JOINT MOTION FOR  
APPOINTMENT AS LEAD PLAINTIFF  
AND APPROVAL OF LEAD  
PLAINTIFF'S SELECTION OF CO-LEAD  
COUNSEL**

DATE: November 30, 2006  
TIME: 8:00 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 oppose  
2 the Menora Mivtahim Mutual Funds Ltd. (“Menora”) and Middlesex Retirement System’s  
3 (“Middlesex”) Motion for Appointment as Lead Plaintiff and Approval of Lead Plaintiff’s Selection  
4 of Co-Lead Counsel.

5 **I. INTRODUCTION**

6 In his operative securities class action Complaint, Movant Zucker alleges violations of  
7 §14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), not §10(b) of the Exchange  
8 Act, against Zoran Corporation (“Zoran” or the “Company”) and certain current and former officers  
9 and members of its Board of Directors (the “Board”). Accordingly, in contrast to a case brought  
10 under §10(b), in which the class is defined as purchasers and/or acquirers of a company’s stock  
11 between two certain dates, the members of this Class, alleging violations of §14(a), must have been  
12 shareholders of record, *inter alia*, at the time Zoran issued and filed, with the Securities Exchange  
13 Commission (“SEC”), the Form(s) DEF 14A (collectively, the “Definitive Proxies”) on:

- 14 ● April 30, 1999;
- 15 ● June 26, 2000;
- 16 ● April 30, 2001;
- 17 ● April 30, 2002;
- 18 ● July 7, 2003;
- 19 ● April 29, 2004;
- 20 ● June 1, 2005;
- 21 ● May 1, 2006.

22 As a result, only Movants Zucker and Key meet the requirements of the Private Securities  
23 Litigation Reform Act of 1995 (“PSLRA”), 15 U.S.C. §78u-4, because only they owned stock at the  
24 time each of the relevant Definitive Proxies were issued. Indeed, as outlined below, Menora and  
25 Middlesex are atypical members of the Class because they only owned stock at the time the  
26 Company issued and voted on the Definitive Proxy dated April 29, 2004. Moreover, because only  
27 Zucker and Key, together, held stock on the dates each of the relevant Definitive Proxies were  
28 issued, Zucker and Key have the largest financial interest in the case pursuant to

1 15 U.S.C. §78u-4(a)(3)(B)(iii)(I).

2 Therefore, Movants Zucker and Key respectfully request this Court appoint them lead  
3 plaintiffs and appoint their selected counsel as lead counsel in this action.

4 **II. STATEMENT OF FACTS**

5 There are currently two competing motions for lead plaintiff. One filed by named plaintiff  
6 Zucker and Movant Key, and the other filed by Menora and Middlesex. From the information  
7 provided by Menora and Middlesex in support of their moving papers, neither Middlesex or  
8 Menora's separate three funds held shares of Zoran stock at the time defendants issued and filed,  
9 with the SEC, Zoran's Definitive Proxies on:

- 10 ● April 30, 1999;
- 11 ● June 26, 2000;
- 12 ● April 30, 2001;
- 13 ● April 30, 2002;
- 14 ● July 7, 2003; and
- 15 ● May 1, 2006

16 Indeed, Middlesex and Menora's three separate funds each only held stock at the time Zoran  
17 issued its Definitive Proxy dated April 29, 2004. Moreover, while one of Menora's separate funds,  
18 the Emda Menaitit Agressive fund,<sup>1</sup> owned Zoran stock on the date of the Company issued the June  
19 1, 2005 Definitive Proxy, the fund had sold its stock prior to the July 13, 2005 voting date. In  
20 contrast, as outlined in their moving papers, Movants Key and Zucker owned Zoran stock on the  
21 filing and voting date of each of the Definitive Proxies which are the subject of Mr. Zucker's  
22 Complaint.<sup>2</sup>

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24 <sup>1</sup> For the purposes of this Opposition, Movants assume Emda Tel-Tek, Emda Menaitit  
25 Agressive and Emda Yeter and separate funds within Menora Mivathim, but their definitions are  
unclear from Menora and Middlesex's moving papers.

26 <sup>2</sup> Movant Key owned Zoran stock when the Company filed and issued its Definitive Proxies  
27 on April 30, 1999, June 26, 2000, April 30, 2001, April 30, 2002, July 7, 2003, April 29, 2004, June  
28 1, 2005, and May 1, 2006. Movant Zucker owned Zoran stock when the Company filed and issued  
its Definitive Proxies on April 30, 2001, April 30, 2002, July 7, 2003, April 29, 2004, June 1, 2005,

1 **III. ARGUMENT**

2 **A. Movants Zucker and Key Are the Most Adequate Plaintiffs under the PSLRA**  
3 **and Should Be Appointed Lead Plaintiffs**

4 The PSLRA provides that the court “shall” appoint the “most adequate plaintiff,” and is to  
5 presume that plaintiff is the person, or group of persons, which “has the largest financial interest in  
6 the relief sought by the class” and “otherwise satisfies the requirements of Rule 23 of the Federal  
7 Rules of Civil Procedure.” §21D(a)(3)(B)(iii)(I); 15 U.S.C. §78u-4(a)(3)(B)(iii)(I). As outlined in  
8 their moving papers and the competing moving papers of Menora and Middlesex, Movants Zucker  
9 and Key have both the largest financial interest and are the only proposed lead plaintiffs which  
10 satisfy the requirements of the Federal Rules of Civil Procedures.

11 Movants Zucker and Key, as outlined in Exhibits A and B to the Declaration of Patrice L.  
12 Bishop in Support of Motion of Murray Zucker and Gilbert R. Key, II for Appointment of Lead  
13 Plaintiffs and Lead Counsel Pursuant to Section 21D of The Securities Exchange Act of 1934  
14 (hereinafter “Bishop Decl. Ex. \_\_\_”), are the only proposed lead plaintiffs who owned stock on **all** of  
15 the dates on which the Definitives Proxies were issued and voted. Accordingly, Movants are the  
16 only proposed lead plaintiffs with any financial interest with regards to six (6) of the seven (7)  
17 Definitive Proxies.

18 **B. Menora and Middlesex’s Claims Are Not Typical**

19 As outlined above, the PSLRA specifically provides that the Lead Plaintiff must “satisfy the  
20 requirements of Rule 23 of the Federal Rules of Civil Procedure.” 15 U.S.C. §78u-  
21 4(a)(3)(B)(iii)(I)(cc). With respect to the qualifications of the class representative, Rule 23(a)  
22 requires that the representative’s claims must be typical of the claims of the Class and that the  
23 representative will fairly and adequately protect the interests of the Class. *In re Cavanaugh*, 306  
24 F.3d 726, 729 (9th Cir. 2002 (the PSLRA instructs district courts to select as Lead Plaintiff the  
25 plaintiff “most capable of adequately representing the interests of class members.”) In contrast to  
26 their assertions, Menora and Middlesex are atypical for many reasons, including that they fail to

27 \_\_\_\_\_  
28 and May 1, 2006.

1 have standing with respect to each of the Definitive Proxies<sup>3</sup> and fail to have a claim against named  
2 defendant Raymond A. Burgess who became a director of the Company in 2005. *See Zucker*  
3 *Complaint at ¶13.*

4 In contrast, Movants Zucker and Key were shareholders on the date defendants issued and  
5 filed each of the Definitive Proxies. *See Weltz v. Lee*, 199 F.R.D. 129, 132 (S.D.N.Y. 2001) (in  
6 Section 14(a) case, court looked to competing lead plaintiffs' share ownership in determining which  
7 plaintiff had the largest financial interest.) Indeed, as outlined above, Middlesex only had  
8 ownership interest in the Company at the time one (1) of the relevant seven (7) Definitive Proxies  
9 was issued.

10 While one of Menora's separate funds had ownership interest on the date an additional  
11 Definitive Proxy was issued (i.e. one of Menora's separate funds owned stock at the time when two  
12 (2) of the Definitive Proxies were issued), Menora sold its stock over a week prior to the voting date  
13 for that Definitive Proxy. Specifically, while Menora's Emda Menaitit Agressive fund held stock  
14 when defendants filed their Definitive Proxy dated June 1, 2005, it sold its stock on July 5, 2005,  
15 before that Definitive Proxy's voting date of July 13, 2005. *See Beebe v. Pacific Realty Trust*, 99  
16 F.R.D. 60, 72-73 (D. Or. 1983) (proposed class representative who sold shares prior to vote could  
17 not assert a claim under §14(e). Indeed, this Court recently held that "[s]tanding 'is a jurisdictional  
18 element that must be satisfied prior to class certification.'" *Seimers v. Wells Fargo & Co.*, N.D. Cal.  
19 Case No. C 05-04518 WHA, 9:14-15 (October 24, 2006). (Court dismissed claims as to mutual  
20 funds the lead plaintiff did not own).

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25 <sup>3</sup> For example, Movants Zucker and Key can request the remedy of rescission for all of the  
26 relevant Definitive Proxies. Indeed, unlike many claims asserting a violation of §14(a) of the  
27 Exchange Act, rescission is a realistic remedy in this action as the Court may rescind the options  
28 issued and/or director approval received as a result of the issuance of a false and misleading  
Definitive Proxy. Menora and Middlesex, however, would have difficulty requesting rescission of the  
Definitive Proxies dated April 30, 1999, June 26, 2000, April 30, 2001, April 30, 2002, July 7,  
2003, June 1, 2005, and May 1, 2006.



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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 9, 2006, I served the document(s) described as:

**MURRAY ZUCKER AND GILBERT KEY’S OPPOSITION TO MENORA MIVTAHIM AND MIDDLESEX RETIREMENT’S JOINT MOTION FOR APPOINTMENT AS LEAD PLAINTIFF AND APPROVAL OF LEAD PLAINTIFF’S SELECTION OF CO-LEAD COUNSEL**

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 OVERNIGHT DELIVERY via Federal Express. I am familiar with the practice at my place of business for collection and processing of correspondence for overnight delivery by Federal Express. Such correspondence will be deposited with a facility regularly maintained by Federal Express for receipt on the same day in the ordinary course of business. I placed the envelope(s) for collection and delivery by Federal Express with delivery fees paid or provided for in accordance with ordinary business practices.

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 9, 2006, at Los Angeles, California 90024.

Patrice L. Bishop  
Type or Print Name

/s/  
Signature

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