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RICHARD W. WIERING
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NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CV 08 Civil Action No.: 1824 JSW

JAMES BRAET, Individually and on Behalf
of All Others Similarly Situated,

Plaintiff,

vs.

SIRF TECHNOLOGY HOLDINGS, INC.,
MICHAEL L. CANNING, DIOSDADO P.
DANATAO, GEOFFREY RIBAR and
KANWAR CHADHA,

Defendants.

CLASS ACTION COMPLAINT FOR
VIOLATION OF THE FEDERAL
SECURITIES LAWS

DEMAND FOR JURY TRIAL

10

FILED BY FAX

1 **INTRODUCTION**

2 1. This is a securities class action on behalf of all persons who purchased or otherwise
3 acquired the publicly traded securities of SiRF Technology Holdings, Inc. ("SiRF" or the "Company")
4 from October 30, 2007 through February 4, 2008, inclusive (the "Class Period"), against SiRF and certain
5 of its officers and/or directors for violations of the Securities Exchange Act of 1934 ("1934 Act").
6

7 2. SiRF, through its subsidiaries, engages in the development and marketing of
8 semiconductor and software products that are designed to enable location-awareness utilizing global
9 positioning system ("GPS") and other location technologies worldwide. SiRF is headquartered in San
10 Jose, California.

11 3. During the Class Period, defendants issued materially false and misleading statements
12 regarding the Company's business and financial results. As a result of defendants' false statements, SiRF
13 stock traded at artificially inflated prices during the Class Period. This permitted one of the defendants to
14 sell \$9.6 million worth of his SiRF stock at \$24.18-\$24.29 per share.
15

16 4. On February 4, 2008, after the market closed, the Company issued a press release
17 entitled "SiRF Technology Holdings Inc. Announces Financial Results for Fourth Quarter and Fiscal
18 2007," which stated in part:
19

20 Net revenue in the fourth quarter of 2007 was \$100.4 million, an increase of
21 35.3 percent from \$74.2 million reported in the fourth quarter of 2006. Net
22 revenue in fiscal 2007 was \$329.4 million, an increase of 33.0 percent from
23 \$247.7 million reported in fiscal 2006. Gross margin in the fourth quarter of 2007
24 was 48.1 percent, as compared to 54.7 percent in the fourth quarter of 2006. Gross
margin in fiscal 2007 was 50.9 percent, as compared to 54.8 percent in fiscal
2006.

25 Net income for the fourth quarter of 2007 was \$0.7 million, or \$0.01 per diluted
26 share, based on 64.3 million diluted weighted average shares outstanding. This
27 compares with net income of \$9.1 million, or \$0.16 per diluted share, based on
28 56.1 million diluted weighted average shares outstanding in the fourth quarter of
2006.

1 Net loss for fiscal 2007 was \$(10.4) million, or \$(0.19) per diluted share, based on
2 55.5 million diluted weighted average shares outstanding. This compares with net
3 income of \$2.4 million, or \$0.04 per diluted share, based on 56.0 million diluted
4 weighted average shares outstanding in fiscal 2006.

5 5. On February 5, 2008, SiRF's stock collapsed \$8.91 per share to close at \$7.36 per
6 share, a one-day decline of 54% on volume of 63 million shares, 30 times the average three-month volume.

7 6. The true facts, which were known by the defendants but concealed from the investing
8 public during the Class Period, were as follows:

9 (a) SiRF's acquisition of Centrality Communications, Inc. ("Centrality") was
10 having an adverse impact on SiRF's results due to the similar products sold by Centrality which were
11 cannibalizing SiRF's sales;

12 (b) SiRF's major customers were not placing orders at sufficient quantities for
13 SiRF to meet the aggressive targets set by and for the Company;

14 (c) Centrality's System-on-Chip ("SoC") product line had lower gross margins than SiRF's
15 products and defendants knew that although the Centrality acquisition would increase revenues in Q4 (as it
16 did), it would also significantly lower SiRF's gross margins (as it also did);
17 therefore, defendants had no basis for their statements on the Q3 conference call that EPS would be up in
18 the \$0.31-\$0.33 range, or that the gross margins of 54% to 55% experienced in Q3 would be maintained in
19 Q4;

20 (d) Competitive pressures were having much more of an adverse impact on the Company
21 than acknowledged by defendants, as SiRF's customers were moving to cellular-enabled products which
22 SiRF could not adequately compete with;

1 (e) As of October 30, 2007, which is also one month into Q4, Q4 gross margins would be
2 down significantly because of the lower SoC product line margins, which products were accounting for
3 much of the increased revenues in Q4; and

4 (f) Downward pricing pressures were accelerating and would lead to lower
5 margins and earnings in future quarters.
6

7 7. As a result of defendants' false statements, SiRF's stock traded at inflated levels
8 during the Class Period. However, after the above revelations seeped into the market, the
9 Company's shares were hammered by massive sales, sending them down more than 75% from their Class
10 Period high.

11 JURISDICTION AND VENUE

12 8. Jurisdiction is conferred by § 27 of the 1934 Act. The claims asserted herein arise
13 under §§10(b) and 20(a) of the 1934 Act and SEC Rule 10b-5.
14

15 9. Venue is proper in this District pursuant to § 27 of the 1934 Act. Many of the
16 false and misleading statements were made in or issued from this District. Additionally, SiRF's principal
17 executive offices are located within this District.
18

19 PARTIES

20 10. Plaintiff James Braet purchased SiRF publicly traded securities, as described in the
21 attached certification, at artificially inflated prices and was damaged thereby.

22 11. Defendant SiRF is a Delaware corporation with its principal place of business located at
23 148 East Brokaw Road, San Jose, CA 95112. SiRF develops and markets semiconductor and software
24 products that are designed to enable location-awareness utilizing GPS and other location technologies
25 worldwide. SiRF describes itself as "a leading supplier of GPS semiconductor and software solutions
26
27
28

1 designed to provide location awareness capabilities in high-volume mobile consumer and commercial
2 systems.”

3 12. Defendant Michael L. Canning (“Canning”) was, at all relevant times, President and
4 Chief Executive Officer (“CEO”) of the Company. During the Class Period, Canning was responsible for
5 the Company’s public statements.
6

7 13. Defendant Diosdado P. Banatao (“Banatao”) was, at all relevant times,
8 Chairman of the Board of SiRF. Banatao was also a co-founder of the Company. During the Class Period,
9 while SiRF’s stock was artificially inflated by defendants’ false statements, Banatao sold 400,000 shares of
10 his SiRF stock for proceeds of \$9.6 million.

11 14. Defendant Geoffrey Ribar (“Ribar”) was, at all relevant times, Chief Financial Officer
12 (“CFO”) and Senior Vice President of Finance of the Company. During the Class Period, Ribar was
13 responsible for the Company’s public statements.
14

15 15. Defendant Kanwar Chadha (“Chadha”) is co-founder of the Company. At all relevant
16 times Chadha was Vice President of Marketing and a director of the Company. During the Class Period,
17 Chadha was responsible for the Company’s public statements.

18 16. Defendants Canning, Banatao, Ribar and Chadha are referred to herein as the
19 “Individual Defendants.”
20

21 17. Because of the Individual Defendants’ positions with the Company, possessed the power
22 and authority to control the contents of SiRF’s quarterly reports, press releases and presentations to
23 securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. They were
24 provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to
25 or shortly after their issuance and had the ability and opportunity to prevent their issuance or cause them to
26 be corrected. Because of their positions with the Company, and their access to material non-public
27
28

1 information available to them but not to the public, the Individual Defendants knew that the adverse facts
2 specified herein had not been disclosed to and were being concealed from the public and that the positive
3 representations being made were then materially false and misleading. The Individual Defendants are
4 liable for the false statements pleaded herein.

5 **FRAUDULENT SCHEME AND COURSE OF BUSINESS**

6
7 18. Defendants are liable for: (i) making false statements; or (ii) failing to disclose
8 adverse facts known to them about SiRF. Defendants' fraudulent scheme and course of business that
9 operated as a fraud or deceit on purchasers of SiRF publicly traded securities was a success, as it: (i)
10 deceived the investing public regarding SiRF's prospects and business; (ii) artificially inflated the price of
11 SiRF's publicly traded securities; (iii) allowed defendant Banatao to reap \$9.6 million in insider trading
12 proceeds; and (iv) caused plaintiff and other members of the Class to purchase SiRF publicly traded
13 securities at inflated prices.
14

15 **BACKGROUND**

16 19. SiRF develops and markets global positioning system ("GPS") semiconductor solutions.
17 The Company's solutions are designed to provide location awareness capabilities in high-volume mobile
18 consumer and commercial systems. SiRF markets and sells its products to original equipment
19 manufacturers of wireless handheld devices, portable computing devices, and other products.
20

21 20. On August 6, 2007, the Company acquired Centrality, another supplier of GPS
22 semiconductor solutions, for 2.1 million shares of SiRF stock.

23 **DEFENDANTS' FALSE AND MISLEADING** 24 **STATEMENTS ISSUED DURING THE CLASS PERIOD**

25 21. On October 30, 2007, the Company issued a press release entitled "SiRF Technology
26 Holdings Inc. Announces Financial Results for Third Quarter 2007," which stated, in part:
27
28

1 SiRF reports record revenue and strong Non-GAAP operating profits

2 ... SiRF Technology Holdings, Inc., a leading provider of GPS-enabled
3 silicon and premium software location platforms, today reported unaudited
4 financial results for its third quarter ended September 30, 2007.

5 Net revenue in the third quarter of 2007 was \$91.2 million, an increase of 43
6 percent from \$63.7 million reported in the third quarter of 2006. Net revenue in
7 the first nine months of 2007 was \$229.0 million, an increase of 32 percent from
8 \$173.5 million reported in the first nine months of 2006. Gross margin in the
9 third quarter of 2007 was 52.2 percent, as compared to 55.6 percent in the third
10 quarter of 2006. Gross margin in the first nine months of 2007 was 53.7 percent,
11 as compared to 55.7 percent in the first nine months of 2006.

12 Net loss for the third quarter of 2007 was \$16.1 million, or \$(0.28) per diluted
13 share, based on 57.0 million diluted weighted average shares outstanding. This
14 compares with net income of \$2.6 million, or \$0.05 per diluted share, based on
15 55.6 million diluted weighted average shares outstanding in the third quarter of
16 2006.

17 Net loss for the first nine months of 2007 was \$11.1 million, or \$(0.21) per diluted
18 share, based on 54.0 million diluted weighted average shares outstanding.
19 This compares with net loss of \$6.7 million, or \$(0.13) per diluted share, based
20 on 50.9 million diluted weighted average shares outstanding in the first nine
21 months of 2006.

22 * * *

23 "We believe our Q3 performance has been exceptional. We have once again
24 posted record revenues on record shipment volumes with excellent profitability
25 and strong bookings momentum. Our acquisition of Centrality and broadening of
26 our product portfolio with the System-on-Chip (SoC) products has been
27 enthusiastically welcomed by customers, and the SoC products are also breaking
28 revenue and shipment volume records," said Dr. Michael Canning, President and
CEO.

The assets acquired and liabilities assumed as part of the acquisition of
Centrality in August 2007 are reflected in SiRF's consolidated financial
statements. As SiRF finalizes certain valuation assumptions, adjustments maybe
recorded in the related purchase price allocations.

Q3'2007 Highlights and Business Outlook:

- We have successfully closed the merger with Centrality Communications and are integrating our products, platforms and personnel. The resulting combination has exceeded our expectations and has been very well received by

1 customers, vendors and employees alike. We are seeing significant design win
2 momentum at major PND customers for our SoC platforms. We are now working
3 on synergistic extensions of our combined fundamental technology.

4 • Growth in our Automotive business, and particularly in Portable
5 Navigation Devices (PNDs), continues to be very strong and to mirror overall
6 market growth. In Q3, we made record volume shipments to a number of major
7 customers. In addition, many of our customers, including ASUS, Garmin, HP,
8 Magellan, Mio, Siemens VDO and TomTom, launched new platforms using
9 SiRFstarIII or SiRF SoC based products this quarter.

10 • Interest in and demand for our products continues to accelerate in our
11 Wireless business. One of our key tier one customers launched their first new
12 GPS enabled handset which has been qualified at two operators this quarter; and
13 RIMM continues to launch new GPS-enabled products and expand the number of
14 operators using their platform. Multiple handsets based on the SiRFstarIII
15 platforms have also been announced or moved into volume production by
16 customers such as Mio, ASUS and Amoi, one of the leading local handset
17 manufacturer in China. In July, Chung-Hwa Telecom launched LBS services
18 based on a SiRF SUPL 1.0 AGPS server and our SiRFstudio development
19 platform for LBS applications is getting good reception at some of the leading
20 operators.

21 • In the consumer and mobile computing market, SiRFstarIII architecture is
22 gaining more momentum. Garmin launched a new generation of their
23 SiRFstarIII based Edge platforms for cyclists and Magellan launched a new
24 family of SiRFstarIII based TRITON™ handhelds featuring National
25 Geographic's award winning full color topographic maps. One of the leading
26 mobile gaming customers launched a GPS accessory with gaming and navigation
27 software for their mobile gaming platform and we are also starting to see
28 increasing interest from digital camera industry.

22. Following the release of its Q3 2007 results, SiRF hosted a conference call for
analysts, investors and media representatives, during which defendants stated the following:

[CANNING]: Customer interest in our Atlas type and SoC platforms has
been very strong, especially in the tier one PND market, and we expect
them to be significant contributors to our revenue growth in 2008 and
beyond *as these and other design wins move into high volume
production.*

* * *

1
2 Interest in and demand for our products continues to accelerate in
3 our wireless business. One of our key tier one customers has launched
4 their first new GPS-enabled hand set, which has been qualified at two
5 operators. And one of our leading wireless customers, Research in
6 Motion, continues to launch new GPS- enabled products and expand a
7 number of operators supporting their platform. Multiple handsets based on
8 SiRFstarIII platforms have also been announced or moved into volume
9 production by customers such as Mio (inaudible), Asus and Amoi, one of
10 the leading local handset manufacturers in China. *In addition, our
11 diverse customer base continues to introduce mobile products based on
12 our award winning GPS technology.* Of particular note this quarter, in
13 any of the tier one handset manufacturers have launched GPS Bluetooth
14 accessory modules based on SiRFstarIII and compatible with a variety of
15 existing handsets which can provide GPS navigation, mapping and other
16 traffic data to the appropriate Bluetooth-enabled phones.

17
18 Our end-to-end location platform continues to gain momentum. For
19 example, LBS services based on a SiRF Secure User Plain 1.0 AGPS
20 server were launched by Chung-Hwa Telecom in July, and our SiRF
21 studio development platform for LBS applications is getting good
22 reception at some of the leading operators worldwide. In our consumer
23 markets segment Garmin launched a new generation of their SiRFstarIII
24 based edge platforms for cyclists and Magellan launched a new family of
25 SiRFstarIII based TRITON handhelds featuring National Geographic's
26 award winning, full color, topographic maps. We're also experiencing
27 good growth and substantial sustained interest from Asian consumer
28 electronics and computing companies in some of the more mobile
applications of GPS into media players, cameras and gaming systems.
Already a leading manufacturer has introduced a SiRFstarIII based GPS
accessory to a portable gaming system, which is expected to be deployed
globally at an attractive price point early in 2008.

With our newly extended product portfolio and a major new operational
base in China, *we believe there will be substantial growth in this market
segment in the next year or so as the use of GPS-based location
technology becomes a standard feature in consumer electronics, and we
believe that we are extremely well positioned to enjoy that growth.*
Earlier this quarter, we signed a major agreement with Intel to jointly
develop a series of innovative products designed to bring our GPS
technology to mainstream mobile computing platforms. And we continue
to receive positive feedback from our customers on this.

* * *

1 ***Demand for our products is robust across all market segments*** and we
2 expect to see Q4 revenues in the range of \$99 to \$102 million with at least
3 10% of this revenue coming from SoC products. This will bring revenue
4 for the year into the range \$328 million to \$331 million. Assuming a tax
5 rate of 5% to 10%, we are modeling EPS for Q4 in the range \$0.31 to
6 \$0.33.

7 * * *

8 [ANALYST JEROEN BOS]: So let's say a full quarter of Centrality in
9 Q4. Will that then depress margin or would the higher revenue level, do
10 you expect gross margin to go up sequentially a little bit?

11 [RIBAR]: *We expect to maintain our gross margins.* We have done for
12 the last five years, we expect it to continue.

13 [CANNING]: *In the 54% to 55% range.*

14 * * *

15 [CHADHA]: Okay, so on the wireless side, we do expect more handsets
16 from Tier-1 customers in '08. We expect '08 to be quite a strong year for
17 our wireless
18 based on all the feedback we are getting from handset partners as well as
19 in operators. We just held a location 2.0 Summit where we brought
20 together key
21 leaders in the handset industry as well as operators, global operators and
22 all the feedback during the Summit as well as in our private conversation
23 is that 2008 will be a strong year with multiple handsets from Tier-1
24 customers.

25 * * *

26 Yes, I think 2008, clearly there is a significant ramp up in the wireless
27 market. A lot will depend on how quickly can these handsets be qualified
28 by operators and
29 deployed into the marketplace. Let's say that you can talk to the front
30 operators, you can talk to the front handset vendors. All indications are
31 that the growth is very high. The key question is, is the growth 100%,
32 200%, or even higher than those numbers? So we expect that most of the
33 3G handsets, especially in the U.S. market, will be GPS-enabled. We
34 expect significant deployment of 3G handset with the location capability
35 in both Europe as well as in Asian markets. So that market clearly will
36 have high penetration of GPS. So based on that, you can model what kind
37 of numbers will be there in terms of unit models.

* * *

[ANALYST PETER FRIEDLAND]: Well then as a follow-up. Did you feel like you've really taken a big brunt of the ASP decline in Q3 so we'll see more modest declines going forward or will we see more of the same?

[CANNING]: Well there's always competition in the marketplace, and that's something we have expected and forecast for sometime. So it's not surprising that competitors are there. It's not surprising that if they want to try to win business from us, they try to offer lower prices. But we plan to be just as competitive going forward as we have been in the past. And we expect to win more sockets than we lose and to improve the value of the sockets that we win.

[RIBAR]: So I think the other point is clearly, right, we've been able to sustain our market share, sustain our margin, sustain our business model in this pricing environment. So I think we've done an outstanding job over an extended period of time of maintaining our business.

23. Following the release of the Company's Q3 earnings and the Q3 conference call, SiRF's stock increased in one day from \$23.30 to \$29.81 per share on volume of 11.9 million shares. This was particularly noteworthy given the downward direction of the stock market during this time.

24. On November 29 and November 30, 2007, defendant Banatao sold 400,000 shares of his SiRF stock, reaping proceeds of \$9,694,000.

25. In January 2008, SiRF's stock declined as the market began to doubt the market for SiRF's products. However, defendants did not reveal how much of SiRF's growth was disappearing and the stock continued to be artificially inflated.

**THE TRUE FINANCIAL AND OPERATIONAL
CONDITION OF SIRF IS DISCLOSED**

26. On February 4, 2008, SiRF's stock closed at \$16.27 per share. Then, after the market closed, the Company issued a press release entitled "SiRF Technology Holdings, Inc. Announces Financial Results for Fourth Quarter and Fiscal 2007," which shocked the market with a decrease in fourth quarter profits. The release stated in part:

1 SiRF Technology Holdings, Inc., a leading provider of GPS-
2 enabled silicon and premium software location platforms, today reported
3 unaudited financial results for its fourth quarter and year-ended December
4 31, 2007.

5 Net revenue in the fourth quarter of 2007 was \$100.4 million, an increase
6 of 35.3 percent from \$74.2 million reported in the fourth quarter of 2006.
7 Net revenue in fiscal 2007 was \$329.4 million, an increase of 33.0 percent
8 from \$247.7 million reported in fiscal 2006. Gross margin in the fourth
9 quarter of 2007 was 48.1 percent, as compared to 54.7 percent in the
10 fourth quarter of 2006. Gross margin in fiscal 2007 was 50.9 percent, as
11 compared to 54.8 percent in fiscal 2006.

12 Net income for the fourth quarter of 2007 was \$0.7 million, or \$0.01 per
13 diluted share, based on 64.3 million diluted weighted average shares
14 outstanding. This compares with net income of \$9.1 million, or \$0.16 per
15 diluted share, based on 56.1 million diluted weighted average shares
16 outstanding in the fourth quarter of 2006.

17 Net loss for fiscal 2007 was \$(10.4) million, or \$(0.19) per diluted share,
18 based on 55.5 million diluted weighted average shares outstanding. This
19 compares with net income of \$2.4 million, or \$0.04 per diluted share,
20 based on 56.0 million diluted weighted average shares outstanding in
21 fiscal 2006.

22 * * *

23 Total cash, cash equivalents and short-term investments were \$139.4
24 million at December 31, 2007, compared with \$170.2 million at December
25 31, 2006. The Company had no long term investments at December 31,
26 2007, compared with \$26.4 million at December 31, 2006. During the
27 third quarter of 2007, SiRF acquired Centrality which led to the decrease
28 in cash, cash equivalents and investments.

“This was a good Quarter for SiRF fueled by strong seasonal demands for
GPS location-enabled consumer products, and we reported record growth
in revenue and units. *However, our gross margin performance was
negatively impacted by a combination of competitive market pricing and
a shift of product mix,*” said Dr. Michael Canning, President and CEO.

The assets acquired and liabilities assumed as part of the acquisition of
Centrality in August 2007 are reflected in SiRF’s consolidated financial
statements. The results of Centrality’s operations have been included in
SiRF’s consolidated results of operations since the August 6, 2007
acquisition close date. As SiRF finalizes certain valuation assumptions,
adjustments may be recorded in the related purchase price allocations.

1
2 27. On the conference call following the earnings release, Canning admitted that
3 defendants had expected gross margins to decline:

4 We had always expected that gross margins would start to shift down as
5 ramping of certain products occurred and as competitive influences came
6 into the market. So for the moment, I think, it's probably best to assume
7 that we'll be around 50% gross margin.

8 28. On February 5, 2008, SiRF's stock collapsed \$8.91 per share to close at \$7.36 per
9 share, a one-day decline of 54% on volume of 63 million shares, 30 times the average three-month volume.

10 29. As *Forbes.com* noted on February 5, 2008, in an article entitled "SiRF Shares Wiped
11 Out":

12 Shares of SiRF Technologies drowned on Tuesday.

13 The firm closed trading down 54.8%, or \$8.91, to \$7.36 after announcing
14 fourth-quarter earnings below analyst estimates.

15 SiRF Technologies makes parts for GPS devices. The firm saw its
16 shares fall after it reported an 89% decrease in fourth-quarter profits to
17 \$0.7 million from \$9.1 million the year before. The company also gave a
18 miserable outlook for the first-quarter, predicting a loss of 4 cents per
19 share on revenue of \$71 million to \$77 million. Analysts polled by
20 Thomson Financial expected, on average, profit of 24 cents per share on
21 revenue of \$92.4 million.

22 SiRF is the leading supplier of global positioning system chips, supplying
23 industry-leading brands like TomTom and Garmin. Despite demand for
24 the GPS units, pricing has gone down significantly over the last year
25 putting strain on SiRF to lower prices as well.

26 "The guidance was the big bugaboo," said Jefferies analyst Adam
27 Benjamin. "We've been concerned about Portable Navigation Devices
28 pricing pressure, but thought the wireless would offset that. Handsets are
a billion-unit market; as that takes off that could dwarf the PND market."

Benjamin downgraded the stock to "hold" from "buy" and lowered his
price target to \$9 from \$32.

1 "I think over time you will see OPS in all handsets," added Benjamin, "but
2 the question is 'who is going to benefit from that?'"

3 SiRF purchased Centrality Communications, another GPS chip-maker,
4 June 27 of last year, giving it the potential to be a bigger player in the
5 wireless market. Mobile phones currently incorporate GPS technology,
6 but it is not widely used. The industry is making a shift over to 3G, or W-
7 CDMA standards, opening up the market for next-gen mobile devices.

8 30. The true facts, which were known by the defendants but concealed from the investing
9 public during the Class Period, were as follows:

10 (a) SiRF's acquisition of Centrality was having an adverse impact on SiRF's
11 results due to the similar products sold by Centrality which were cannibalizing SiRF's sales;

12 (b) SiRF's major customers were not placing orders at sufficient quantities for
13 SiRF to meet the aggressive targets set by and for the Company;

14 (c) Centrality's SoC product line had lower gross margins than SiRF's products
15 and defendants knew that although the Centrality acquisition would increase revenues in Q4 (as it did), it
16 would also significantly lower SiRF's gross margins (as it also did); therefore, defendants had no basis for
17 their statements on the Q3 conference call that EPS would be up in the \$0.31 - \$0.33 range, or that the
18 gross margins of 54% to 55% experienced in Q3 would be maintained in Q4;

19 (d) Competitive pressures were having much more of an adverse impact on the
20 Company than acknowledged by defendants, as SiRF's customers were moving to cellular-enabled
21 products which SiRF could not adequately compete with;

22 (e) As of October 30, 2007, which is also one month into Q4, Q4 gross margins
23 would be down significantly because of the lower SoC product line margins, which products were
24 accounting for much of the increased revenues in Q4; and
25
26
27
28

1 (f) Downward pricing pressures were accelerating and would lead to lower
2 margins and earnings in future quarters.

3 31. As a result of defendants' false statements, SiRF's stock traded at inflated levels
4 during the Class Period. However, after the above revelations seeped into the market, the
5 Company's shares were hammered by massive sales, sending them down more than 75% from their Class
6 Period high.
7

8 **APPLICATION OF PRESUMPTION OF RELIANCE:**
9 **FRAUD ON THE MARKET DOCTRINE**

10 32. At all relevant times, the market for SiRF's securities was an efficient market for the
11 following reasons, among others:

12 (a) SiRF's stock met the requirements for listing, as was listed and actively traded on the
13 NASDAQ, a highly efficient and automated market;
14

15 (b) As a regulated issuer, SiRF filed periodic public reports with the SEC and the NASDAQ;

16 (c) SiRF regularly communicated with public investors *via* established market
17 communication mechanisms, including through regular dissemination of press releases on the national
18 circuits of major newswire services and through other wide-ranging public disclosures, such as
19 communications with the financial press and other similar reporting services; and
20

21 (d) SiRF was followed by several securities analysts employed by major brokerage firm(s)
22 who wrote reports which were distributed to the sales force and certain customers of their respective
23 brokerage firm(s). Each of these reports was publicly available and entered the public marketplace.

24 33. As a result of the foregoing, the market for SiRF securities promptly digested current
25 information regarding SiRF from all publicly available sources and reflected such information in the SiRF
26 stock price. Under these circumstances, all purchasers of SiRF securities during the Class Period suffered
27
28

1 similar injury through their purchase of SiRF securities at artificially inflated prices and a presumption of
2 reliance applies.

3 **NO SAFE HARBOR**

4 34. The statutory safe harbor provided for forward-looking statements under certain
5 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. Many of
6 the specific statements pleaded herein were not identified as "forward-looking statements" when made. To
7 the extent there were any forward-looking statements, there were no meaningful cautionary statements
8 identifying important factors that could cause actual results to differ materially from those in the
9 purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor does
10 apply to any forward-looking statements pleaded herein, defendants are liable for those false forward-
11 looking statements because at the time each of those forward-looking statements was made, the particular
12 speaker knew that the particular forward-looking statement was false, and/or the forward-looking
13 statement was authorized and/or approved by an executive officer of SiRF who knew that those statements
14 were false when made.
15
16

17 **LOSS CAUSATION/ECONOMIC LOSS**

18 35. By misrepresenting demand for its products, the defendants presented a misleading
19 picture of SiRF's business and prospects. Thus, instead of truthfully disclosing during the Class Period that
20 SiRF's business was not as healthy as represented, defendants misrepresented the benefits of the Centrality
21 acquisition.
22

23 36. These claims of profitability caused and maintained the artificial inflation in SiRF's stock
24 price throughout the Class Period and until the truth was revealed to the market.

25 34. Defendants' false and misleading statements had the intended effect and caused SiRF stock to trade at
26 artificially inflated levels throughout the Class Period, reaching as high as \$30 per share.
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1 disclose such facts. Such defendants' material misrepresentations and/or omissions were done knowingly
2 or deliberately and for the purpose and effect of concealing SiRF's operating conditions and business
3 prospects from the investing public and supporting the artificially inflated price of its securities. As
4 demonstrated by defendants' overstatements and misstatements of the Company's business, operations and
5 earnings throughout the Class Period, defendants, if they did not have actual knowledge of the
6 misrepresentations and omissions alleged, were deliberate in failing to obtain such knowledge by
7 deliberately refraining from taking those steps necessary to discover whether those statements were false or
8 misleading.
9

10 40. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the
11 market, they paid artificially inflated prices for SiRF publicly traded securities. Plaintiff and the Class
12 would not have purchased SiRF publicly traded securities at the prices they paid, or at all, if they had been
13 aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.
14

15 COUNT II

16 **For Violation of § 20(a) of the 1934 Act** 17 **Against the Individual Defendants**

18 41. Plaintiff incorporates all preceding allegations herein by reference.

19 42. The Individual Defendants acted as controlling persons of SiRF within the meaning of §
20 20(a) of the 1934 Act. By reason of their positions with the Company, and their ownership of SiRF stock,
21 the Individual Defendants had the power and authority to cause SiRF to engage in the wrongful conduct
22 complained of herein. The Individual Defendants were provided with or had unlimited access to the
23 Company's reports, press releases, public filings and other statements alleged by plaintiff to be misleading
24 prior to and/or shortly after these statement were issued and had the ability to prevent the issuance of the
25 statements or cause the statements to be corrected. Each of the Individual Defendants had direct and
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1 supervisory involvement in the day-to-day operations of the Company. By reason of such conduct, the
2 Individual Defendants are liable pursuant to § 20(a) of the 1934 Act.

3 **CLASS ACTION ALLEGATIONS**

4 43. Plaintiff brings this action as a class action pursuant to Rule 23(a) and 23(b)(3) of the
5 Federal Rules of Civil Procedure on behalf of all persons who purchased or otherwise acquired SiRF
6 publicly traded securities from October 30, 2007 to February 4, 2008, inclusive, and were damaged thereby
7 (the "Class"). Excluded from the Class are defendants, the officers and directors of the Company, at all
8 relevant times, members of their immediate families and their legal representatives, heirs, successors or
9 assigns and any entity in which defendants have or had a controlling interest.

10 44. The members of the Class are so numerous that joinder of all members is
11 impracticable. The disposition of their claims in a class action will provide substantial benefits to the
12 parties and the Court. SiRF has over 60 million shares of stock outstanding, owned by hundreds if not
13 thousands of persons.

14 45. There is a well-defined community of interest in the questions of law and fact
15 involved in this case. Those common questions of law and fact predominate over any questions solely
16 affecting individual members of the Class. Questions of law and fact common to the members of the Class
17 which predominate over questions which may affect individual Class members include:

- 18 (a) whether the federal securities laws were violated by defendants;
- 19 (b) whether defendants misrepresented material facts;
- 20 (c) whether defendants' statements omitted material facts necessary to make the
21 statements made, in light of the circumstances under which they were made, not misleading;
- 22 (d) whether defendants knew or deliberately disregarded that their statements
23 were false and misleading;
- 24
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1 (e) whether the prices of SiRF's publicly traded securities were artificially
2 inflated; and

3 (f) the extent of damage sustained by Class members and the appropriate measure of
4 damages.

5 46. Plaintiff's claims are typical of those of the Class because plaintiff and the Class
6 sustained damages from defendants' wrongful conduct.

7 47. Plaintiff will adequately protect the interests of the Class and has retained counsel who
8 are experienced in class action securities litigation. Plaintiff has no interests which conflict
9 with those of the Class.

10 48. A class action is superior to other available methods for the fair and efficient
11 adjudication of this controversy.

12
13
14 **PRAYER FOR RELIEF**

15 WHEREFORE, plaintiff prays for judgment as follows:

16 A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;

17 B. Awarding plaintiff and the members of the Class damages, including interest;

18 C. Awarding plaintiff reasonable costs and attorneys' fees; and

19 D. Awarding such equitable/injunctive or other relief as the Court may deem just and

20 proper.

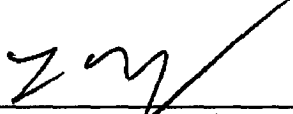
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1 **JURY DEMAND**

2 Plaintiff demands a trial by jury.

3
4 DATED: April 4, 2008

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28 *Attorneys for Plaintiff*

PLAINTIFF'S CERTIFICATION OF SECURITIES CLASS ACTION COMPLAINT

I, James A Braet, hereby certify that the following is true and correct to the best of my knowledge, information and belief:


1. I have reviewed the Complaint to be filed in this action (the "Complaint");
2. I am willing to serve as a representative party on behalf of the Class (the "Class") as defined in the Complaint, including providing testimony at deposition and trial, if necessary;
3. My transaction(s) in SIRF Technology Holdings, Inc., during the Class Period are as follows:

ACQUISITIONS:		
Date of Acquisition	Shares Acquired	Price Per Share
2/4/2008	40	16.53

SALES:		
Date Shares Sold	Shares Sold	Price Per Share
2/19/2008	40	7.19

4. I did not purchase these securities at the direction of my counsel, or in order to participate in any private action arising under any Federal Securities Laws;
5. During the three-year period preceding the date of my signing this Certification, I have not sought to serve, nor have I served, as a representative to any party on behalf of a class in any private action arising under the Federal Securities laws other than as listed below:
6. I will not accept any payment for serving as a representative party on behalf of the Class beyond my *pro rata* share of any possible recovery, except for an award, as ordered or approved by the Court, for reasonable costs and expenses (including lost wages) directly relating to my representation of the Class.

Signed under the penalties of perjury this 18 day of March, 2008.


[SIGN HERE]
PRINT NAME: James A Braet
Cust For
Gabriel BRAET