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Plaintiff James Furman

UNITED STATES DISTRICT COURT

WHA

FOR THE NORTHERN DISTRICT OF CALIFORNIA

JAMES FURMAN, Individually And On Behalf
of All Others Similarly Situated,

CV 08 1122
CIVIL ACTION NO. **1122**

Plaintiff,

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF
FEDERAL SECURITIES LAWS**

v.

JURY TRIAL DEMANDED

SiRF TECHNOLOGY HOLDINGS, INC.,
MICHAEL L. CANNING, DIOSDADO P.
BANATAO, KANWAR CHADHA, and
GEOFFREY RIBAR,

Defendants.

INTRODUCTION

1. This is a federal class action on behalf of purchasers of the securities of SiRF Technology Holdings, Inc. ("SiRF" or the "Company") between October 30, 2007 and February 4, 2008, inclusive (the "Class Period"), seeking to pursue remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

2. As alleged herein, in connection with the sale of securities, defendants published a series of materially false and misleading statements which defendants knew and/or deliberately disregarded were false and materially misleading at the time of such publication, and/or omitted to reveal material

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1 information necessary to make defendants' statements, in light of such material omissions, not
2 materially false and misleading at that time.

3 JURISDICTION AND VENUE

4 3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§
5 1331 and 1337, and Section 27 of the Exchange Act. The claims asserted herein arise under §§10(b) and
6 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder by the Securities and Exchange
7 Commission ("SEC").

8 4. Venue is proper in this District pursuant to Section 27 of the Exchange Act and 28 U.S.C.
9 §1391(b), §1337. Defendant SiRF maintains its principal place of business within this District, and/or
10 the individual defendants conduct business in and many of the acts giving rise to the violations
11 complained of herein took place in this District.

12 5. In connection with the acts alleged in this Complaint, defendants, directly or indirectly,
13 used the means and instrumentalities of interstate commerce including, but not limited to, the mails,
14 interstate telephone communications and the facilities of the national securities markets.

15 PARTIES

16 6. Plaintiff James Furman, as set forth in the accompanying certification, incorporated by
17 reference herein, purchased SiRF common stock at artificially inflated prices during the Class Period
18 and has been damaged thereby.

19 7. Defendant SiRF is a Delaware corporation with its principal place of business located
20 148 East Brokaw Road, San Jose, CA 95112. SiRF describes itself as "a leading supplier of GPS
21 semiconductor and software solutions designed to provide location awareness capabilities in high-
22 volume mobile consumer and commercial systems."

23 8. Defendant Michael L. Canning ("Canning") was, during the Class Period, Chairman and
24 Chief Executive Officer of the Company. During the Class Period, defendant Canning signed the
25 Company's SEC filings.

26 9. Defendant Diosdado P. Banatao ("Banatao") was, during the Class Period, Chairman of
27 the Board of SiRF. Banatao also was a co-founder of the Company. During the Class Period, Banatao
28 sold 400,000 shares of his SiRF stock for proceeds of \$9.6 million.

1 10. Defendant Geoffrey Ribar ("Ribar") was, during the Class Period, Chief Financial
2 Officer ("CFO") and Senior Vice President of Vinance of SiRF. During the Class Period, defendant
3 Canning signed the Company's SEC filings.

4 11. Defendant Kanwar Chadha ("Chadha") was, during the Class Period, Vice President of
5 Marketing and a director of the Company. Chadha was also a co-founder of the company.

6 12. Canning, Banatao, Ribar, and Chadha are referred to herein as the "Individual
7 Defendants."

8 13. Because of the Individual Defendants' positions with the Company, they had access to
9 the adverse undisclosed information about its business, operations, products, operational trends,
10 financial statements, markets and business prospects *via* access to internal corporate documents
11 (including the Company's operating plans, budgets and forecasts and reports of actual operations
12 compared thereto), conversations and connections with other corporate officers and employees,
13 attendance at management and Board of Directors meetings and committees thereof and via reports and
14 other information provided to them in connection therewith.

15 14. It is appropriate to treat the Individual Defendants as a group for pleading purposes and
16 to presume that the false, misleading and incomplete information conveyed in the Company's public
17 filings, press releases and other publications as alleged herein are the collective actions of the narrowly
18 defined group of defendants identified above. Each of the above officers of SiRF, by virtue of their
19 high-level positions with the Company, directly participated in the management of the Company, was
20 directly involved in the day-to-day operations of the Company at the highest levels, and was privy to
21 confidential proprietary information concerning the Company and its business, operations, products,
22 growth, financial statements, and financial condition, as alleged herein. The Individual Defendants were
23 involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and
24 information alleged herein, were aware, or deliberately disregarded, that the false and misleading
25 statements were being issued regarding the Company, and approved or ratified these statements, in
26 violation of the federal securities laws.

27 15. As officers and controlling persons of a publicly-held company whose common stock
28 was, and is, registered with the SEC pursuant to the Exchange Act, and was traded on the NASDAQ,

1 and governed by the provisions of the federal securities laws, the Individual Defendants each had a duty
2 to disseminate promptly accurate and truthful information with respect to the Company's financial
3 condition and performance, growth, operations, financial statements, business, products, markets,
4 management, earnings and business prospects, and to correct any previously-issued statements that had
5 become materially misleading or untrue, so that the market price of the Company's publicly-traded
6 securities would be based upon truthful and accurate information. The Individual Defendants'
7 misrepresentations and omissions during the Class Period violated these specific requirements and
8 obligations.

9 16. The Individual Defendants participated in the drafting, preparation, and/or approval of
10 the various public and shareholder and investor reports and other communications complained of herein
11 and were aware of, or deliberately and/or negligently disregarded, the misstatements contained therein
12 and omissions therefrom, and were aware of their materially false and misleading nature. Because of
13 their Board membership and/or executive and managerial positions with SiRF, each of the Individual
14 Defendants had access to the adverse undisclosed information about SiRF's business prospects and
15 financial condition and performance as particularized herein and knew (or deliberately and/or
16 negligently disregarded) that these adverse facts rendered the positive representations made by or about
17 SiRF and its business issued or adopted by the Company materially false and misleading.

18 17. The Individual Defendants, because of their positions of control and authority as officers
19 and/or directors of the Company, were able to and did control the content of the various SEC filings,
20 press releases and other public statements pertaining to the Company during the Class Period. Each
21 Individual Defendant was provided with copies of the documents alleged herein to be misleading prior
22 to or shortly after their issuance and/or had the ability and/or opportunity to prevent their issuance or
23 cause them to be corrected. Accordingly, each of the Individual Defendants is responsible for the
24 accuracy of the public reports and releases detailed herein, and is therefore primarily liable for the
25 representations contained therein.

26 18. Each of the defendants is liable as a participant in a fraudulent scheme and course of
27 business that operated as a fraud or deceit on purchasers of SiRF common stock by disseminating
28 materially false and misleading statements and/or concealing material adverse facts. The scheme: (i)

1 deceived the investing public regarding SiRF's business, operations, management and the intrinsic value
2 of SiRF common stock; (ii) enabled the defendants to sell over \$9.6 million worth of Company stock to
3 investors during the Class Period; and (iii) caused plaintiff and other members of the Class to purchase
4 SiRF securities at artificially inflated prices.

5 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

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

12 20. The members of the Class are so numerous that joinder of all members is impracticable.
13 Throughout the Class Period, SiRF common shares were actively traded on the NASDAQ. As of
14 February 20, 2008, the Company had over 60 million shares issued and outstanding. While the exact
15 number of Class members is unknown to plaintiff at this time and can only be ascertained through
16 appropriate discovery, plaintiff believes that there are hundreds or thousands of members in the
17 proposed Class. Record owners and other members of the Class may be identified from records
18 maintained by SiRF or its transfer agent and may be notified of the pendency of this action by mail,
19 using the form of notice similar to that customarily used in securities class actions.

20 21. Common questions of law and fact exist as to all members of the Class and predominate
21 over any questions solely affecting individual members of the Class. Among the questions of law and
22 fact common to the Class are:

23 (a) whether the federal securities laws were violated by defendants' acts as alleged
24 herein;

25 (b) whether statements made by defendants to the investing public during the Class
26 Period misrepresented material facts about the business, operations and financial results of SiRF; and

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

1 from \$173.5 million reported in the first nine months of 2006. Gross margin in
2 the third quarter of 2007 was 52.2 percent, as compared to 55.6 percent in the
3 third quarter of 2006. Gross margin in the first nine months of 2007 was 53.7
4 percent, as compared to 55.7 percent in the first nine months of 2006.

5 Net loss for the third quarter of 2007 was \$16.1 million, or \$(0.28) per
6 diluted share, based on 57.0 million diluted weighted average shares outstanding.

7 This compares with net income of \$2.6 million, or \$0.05 per diluted share, based
8 on 55.6 million diluted weighted average shares outstanding in the third quarter of
9 2006.

10 Net loss for the first nine months of 2007 was \$11.1 million, or \$(0.21) per
11 diluted share, based on 54.0 million diluted weighted average shares outstanding.

12 This compares with net loss of \$6.7 million, or \$(0.13) per diluted share, based
13 on 50.9 million diluted weighted average shares outstanding in the first nine
14 months of 2006.

15 * * *

16 “We believe our Q3 performance has been exceptional. We have once again
17 posted record revenues on record shipment volumes with excellent profitability
18 and strong bookings momentum. Our acquisition of Centrality and broadening of
19 our product portfolio with the System-on-Chip (SoC) products has been
20 enthusiastically welcomed by customers, and the SoC products are also breaking
21 revenue and shipment volume records,” said Dr. Michael Canning, President and
22 CEO.

23 The assets acquired and liabilities assumed as part of the acquisition of Centrality
24 in August 2007 are reflected in SiRF’s consolidated financial statements. As SiRF
25 finalizes certain valuation assumptions, adjustments may be recorded in the
26 related purchase price allocations.

27 Q3’2007 Highlights and Business Outlook:

- 28
- 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 customers, vendors and employees alike. We are seeing significant design win momentum at major PND customers for our SoC platforms. We are now working on synergistic extensions of our combined fundamental technology.
 - Growth in our Automotive business, and particularly in Portable Navigation Devices (PNDs), continues to be very strong and to mirror overall market growth. In Q3, we made record volume shipments to a number of major customers. In addition, many of our customers, including ASUS, Garmin, HP, Magellan, Mio, Siemens VDO and TomTom, launched new platforms using SiRFstarIII or SiRF SoC based products this quarter.

- 1 • Interest in and demand for our products continues to accelerate in our
2 Wireless business. One of our key tier one customers launched their first new
3 GPS enabled handset which has been qualified at two operators this quarter;
4 and RIMM continues to launch new GPS-enabled products and expand the
5 number of operators using their platform. Multiple handsets based on the
6 SiRFstarIII platforms have also been announced or moved into volume
7 production by customers such as Mio ASUS and Amoi, one of the leading
8 local handset manufacturer in China. In July, Chung-Hwa Telecom launched
9 LBS services based on a SiRF SUPL 1.0 AGPS server and our SiRFstudio
10 development platform for LBS applications is getting good reception at some
11 of the leading operators.
12
- 13 • In the consumer and mobile computing market, SiRFstarIII architecture is
14 gaining more momentum. Garmin launched a new generation of their
15 SiRFstarIII based Edge platforms for cyclists and Magellan launched a new
16 family of SiRFstarIII based TRITON™ handhelds featuring National
17 Geographic's award winning full color topographic maps. One of the leading
18 mobile gaming customers launched a GPS accessory with gaming and
19 navigation software for their mobile gaming platform and we are also starting
20 to see increasing interest from digital camera industry.

21 28. During a conference call following the release of SiRF's Q3 2007 results, defendants
22 stated the following:

23 [CANNING]: Customer interest in our Atlas-Titan SoC platforms has
24 been very strong, especially in the Tier-1 PND market, and we expect them to be
25 significant contributors to our revenue growth in 2008 and beyond, **as these and
26 other design wins move into high volume production.**

27 * * *

28 Interest in and demand for our products continues to accelerate in our
wireless business. One of our key Tier-1 customers has launched their first new
GPS-enabled handset, which has been qualified with two operators. And one of
our leading wireless customers, Research In Motion, continues to launch new
GPS-enabled products and expand the number of operators supporting their
platform. Multiple handsets based on SiRFstarIII platforms have also been
announced or moved into volume production by customers such as Neo, MyTech,
Asus and Amoi, one of the leading local handset manufacturers in China. **In
addition, our diverse customer base continues to introduce novel products
based on our award-winning GPS technology.** Of particular note this quarter,
many of the Tier-1 handset manufacturers have launched GPS-Bluetooth
accessory modules based on SiRFstarIII and compatible with a variety of existing
handsets, which can provide GPS navigation, mapping and other traffic data to the
appropriate Bluetooth-enabled phones.

1 Our end-to-end location platform continues to gain momentum. For
2 example, LBS services based on a SiRF Secure User Plane 1.0, a GPS server were
3 launched by Chung-Hwa Telecom in July, and our SiRF studio development
4 platform for LBS applications is getting good reception at some of the leading
5 operators worldwide. In our consumer market segment, Garmin launched a new
6 generation of their SiRFstarIII based EDGE platforms for cyclists and Magellan
7 launched a new family of SiRFstarIII-based Triton handhelds, featuring National
8 Geographic's award winning full color topographic maps. We are also
9 experiencing good growth and substantial sustained interest from Asian consumer
10 electronics and computing companies in some of the more novel applications of
11 GPS into media players, cameras and gaming systems. Already a leading
12 manufacturer has introduced a SiRFstarIII based GPS accessory to a portable
13 gaming system, which is expected to be deployed globally at an attractive price
14 point early in 2008.

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

24 * * *

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

29 * * *

30 <ANALYST JEROEN BOS>: So let's say a full quarter of Centrality in
31 Q4, will that then depress margin or with the higher revenue level, do you expect
32 gross margin to go up sequentially a little bit?

33 <RIBAR>: **We expect to maintain our gross margins.** We have done
34 for the last 5 years, and we expect to continue.

35 <CANNING>: **In the 54 to 55% range.**

36 * * *

37 <CHADHA>: Okay, so on the wireless side, we do expect more handsets
38 from Tier-1 customers in '08. We expect '08 to be quite a strong year for wireless

1 based on all the feedback we are getting from handset partners as well as an
2 operator. We just held a location 2.0 Summit where we brought together key
3 leaders in the handset industry as well as global operators and all the feedback
4 during the summit as well as in our private conversation as that 2008 will be a
strong year with multiple handset from Tier-1 customers. On the second question,
we do not comment on any individual customers revenue targets.

5 * * *

6 <CHADHA> We are seeing significant adoptions outside of the traditional
7 developed world model. I think just like what you have seen in the wireless space,
8 China and India and some of the South America companies are becoming growth
9 drivers. We are starting to see similar opportunities in these markets. And we
believe that in 2008, they will start becoming increasing part of our end markets
and clearly in 2009 we'll provide significant higher growth.

10 * * *

11 <CANNING> All the things that we expected to happen are happening. In
12 fact, on some fronts, they're happening faster than we would have thought. But on
13 others, there have been a little more slow to happen. There's also a fair amount of
14 complication that goes with deploying anything in the wireless market, and that's
15 why it takes a certain amount of expertise working with customers to make
16 everything work out. But we've been very happy at the progress that has occurred
in the last several quarters, and we believe that this ramp is going to happen just
as we expected but perhaps not in exactly the same timeframe that we expected a
year ago.

17 * * *

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

21 <CANNING>: Well, there's always competition in the marketplace, and
22 that's something we have expected and forecast for some time. So it's not
23 surprising that competitors are there. It's not surprising that if they want to try to
24 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.

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

1 <CHADHA>: And I think in 2008 as we launch new, more value-added
2 product, as we bring more of our customers onto the SoC platforms, we will have
3 more ability to add value and reverse some of these traditional price declines.

4 29. On this news, SiRF's share price increased by \$6.51, to close on October 31, 2007 at
5 \$29.81 per share on volume of 11.9 million shares.

6 30. Between November 29, 2007 and November 30, 2007, defendant Banatao sold 400,000
7 shares of his SiRF stock, reaping \$9,694,000 in proceeds.

8 31. In January 2008, SiRF's share price declined as investors began to doubt the market for
9 SiRF's products. Defendants did not reveal how much of SiRF's growth was disappearing, however,
10 and the stock continued to be artificially inflated.

11 **THE TRUE FINANCIAL AND OPERATIONAL**
12 **CONDITION OF SiRF IS DISCLOSED**

13 32. SiRF's stock closed at \$16.27 per share on February 4, 2008. After the market closed
14 that day, the Company issued a press release entitled "SiRF Technology Holdings, Inc. Announces
15 Financial Results for Fourth Quarter and Fiscal 2007," that announced a significant decrease in fourth
16 quarter profits. The press release stated in part:

17 SiRF Technology Holdings, Inc. (NASDAQ: SiRF), a leading provider of
18 GPS-enabled silicon and premium software location platforms, today reported
19 unaudited financial results for its fourth quarter and year-ended December 31,
20 2007.

21 Net revenue in the fourth quarter of 2007 was \$100.4 million, an increase
22 of 35.3 percent from \$74.2 million reported in the fourth quarter of 2006. Net
23 revenue in fiscal 2007 was \$329.4 million, an increase of 33.0 percent from
24 \$247.7 million reported in fiscal 2006. Gross margin in the fourth quarter of 2007
25 was 48.1 percent, as compared to 54.7 percent in the fourth quarter of 2006. Gross
26 margin in fiscal 2007 was 50.9 percent, as compared to 54.8 percent in fiscal
27 2006.

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

Net loss for fiscal 2007 was \$(10.4) million, or \$(0.19) per diluted share,
based on 55.5 million diluted weighted average shares outstanding. This

1 compares with net income of \$2.4 million, or \$0.04 per diluted share, based on
2 56.0 million diluted weighted average shares outstanding in fiscal 2006.

3 * * *

4 Total cash, cash equivalents and short-term investments were \$139.4
5 million at December 31, 2007, compared with \$170.2 million at December 31,
6 2006. The Company had no long term investments at December 31, 2007,
7 compared with \$26.4 million at December 31, 2006. During the third quarter of
8 2007, SiRF acquired Centrality which led to the decrease in cash, cash equivalents
9 and investments.

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

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

21 33. On the conference call following the earnings release, Canning admitted that defendants
22 had expected gross margins to decline and that market demand for SiRF's products had been overstated:

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

27 * * *

28 <ANALYST DAVID WU>: Yes. I was curious about two things. The first thing
is, given the fact that the SoC business sounds like it's going to drop more in the
first quarter of '08 versus the fourth – versus the rest of the company, the gross
margin on the other hand, is down sequentially from the fourth-quarter level.
What – why is that the case? Particularly you sounded like the wireless was going
to get better in Q1 than in Q4?...

<CANNING>: In both cases it was a reduction in those customers' demand,
market demand.

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

1 35. Forbes.com, in a February 5, 2008, article entitled "SiRF Shares
2 Wiped Out," discussed SiRF's competitive issues:

3 Shares of SiRF Technologies drowned on Tuesday.

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

6 SiRF Technologies, makes parts for GPS devices. The firm saw its shares
7 fall after it reported an 89% decrease in fourth-quarter profits to \$0.7 million from
8 \$9.1 million the year before. The company also gave a miserable outlook for the
9 first-quarter, predicting a loss of 4 cents per share on revenue of \$71 million to
10 \$77 million. Analysts polled by Thomson Financial expected, on average, profit
11 of 24 cents per share on revenue of \$92.4 million.

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

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

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

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

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

36. Defendants knew but concealed the following facts from the investing public during the
Class Period:

- (a) SiRF's acquisition of Centrality had an adverse impact on SiRF's results, as Centrality's products undermined the sales of SiRF's own products;
- (b) SiRF's major customers did not place orders at sufficient quantities for SiRF to meet the Company's aggressive targets;
- (c) Centrality's SoC product line had lower gross margins than SiRF's products which would reduce SiRF's gross margins, causing SiRF's EPS and gross margin guidance for the fourth quarter of 2007 to be false;

1 (d) Competitive pressures had a greater adverse impact on the Company than acknowledged
2 by defendants, as SiRF's customers moved to cellular-enabled products which SiRF
3 could not adequately compete with; and

4 (e) Downward pricing pressures had accelerated and were leading to lower margins and
5 earnings in future quarters.

6 37. As a result of defendants' false and misleading statements, SiRF's stock traded at inflated
7 levels during the Class Period. Upon defendants' release of SiRF's fourth quarter earnings, however,
8 the Company's share price collapsed, falling more than 75 percent from its Class Period high.

9 **ADDITIONAL SCIENTER ALLEGATIONS**

10 38. As alleged herein, defendants acted with scienter in that each defendant knew that the
11 public documents and statements issued or disseminated in the name of the Company were materially
12 false and misleading; knew that such statements or documents would be issued or disseminated to the
13 investing public; and knowingly and substantially participated or acquiesced in the issuance or
14 dissemination of such statements or documents as primary violations of the federal securities laws. As
15 set forth elsewhere herein in detail, defendants, by virtue of their receipt of information reflecting the
16 true facts regarding SiRF, their control over, and/or receipt and/or modification of SiRF's allegedly
17 materially misleading misstatements and/or their associations with the Company which made them privy
18 to confidential proprietary information concerning SiRF, participated in the fraudulent scheme alleged
19 herein.

20 39. In addition, throughout the Class Period, while in possession of material adverse non-
21 public information, defendant Banatao was motivated to materially misrepresent to the SEC and
22 investors the true financial condition of the Company in order to raise *over \$9.6 million* in total proceeds
23 from the sales of SiRF's securities.

24 //

25 //

26 //

27 //

28 //

1 40. Defendant Banatao's insider sales are set forth below:

2 **Diosdado P. Banatao**

3

<u>Transaction Date</u>	<u>Shares Sold</u>	<u>Share Price</u>	<u>Proceeds</u>
11/29/2007	50,000	24.29	1,214,505.00
11/29/2007	150,000	24.29	3,643,515.00
11/30/2007	69,638	24.18	1,683,693.60
11/30/2007	130,362	24.18	3,151,866.40
TOTAL SHARES SOLD	400,000	TOTAL PROCEEDS	9,693,580.00

4
5
6
7
8

9 **APPLICABILITY OF PRESUMPTION OF RELIANCE:**
10 **FRAUD-ON-THE-MARKET DOCTRINE**

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

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

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

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

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

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

3 **NO SAFE HARBOR**

4 43. 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
6 of the specific statements pleaded herein were not identified as "forward-looking statements" when
7 made. To the extent there were any forward-looking statements, there were no meaningful cautionary
8 statements identifying important factors that could cause actual results to differ materially from those in
9 the purportedly forward-looking statements. Alternatively, to the extent that the statutory safe harbor
10 does apply to any forward-looking statements pleaded herein, defendants are liable for those false
11 forward-looking statements because at the time each of those forward-looking statements was made, the
12 particular speaker knew that the particular forward-looking statement was false, and/or the forward-
13 looking statement was authorized and/or approved by an executive officer of SiRF who knew that those
14 statements were false when made.

15 **LOSS CAUSATION/ECONOMIC LOSS**

16 44. During the Class Period, as detailed herein, defendants engaged in a scheme to deceive
17 the market and a course of conduct that artificially inflated the price of SiRF securities and operated as a
18 fraud or deceit on purchasers of SiRF securities by misrepresenting the Company's operating condition,
19 financial results and business prospects. Defendants achieved this by making positive statements about
20 SiRF's business while they knew that the Company was suffering from a variety of adverse factors
21 which were then negatively impacting its financial results, as detailed herein. Later, however, when
22 SiRF's prior misrepresentations were disclosed and became apparent to the market, the price of SiRF
23 securities fell precipitously as the prior artificial inflation came out of SiRF's share price. As a result of
24 their purchases of SiRF publicly traded securities during the Class Period, plaintiff and other members
25 of the Class suffered economic loss, *i.e.*, damages under the federal securities laws.

26 45. The decline in SiRF's share price at the end of the Class Period was a direct result of the
27 nature and extent of defendants' fraud finally being revealed to investors and the market. The timing
28 and magnitude of SiRF's share price declines negate any inference that the loss suffered by plaintiff and

1 other Class members was caused by changed market conditions, macroeconomic or industry factors, or
2 Company-specific facts unrelated to defendants' fraudulent conduct.

3 BASIS OF ALLEGATIONS

4 46. Plaintiff has alleged the following based upon the investigation of plaintiff's counsel,
5 which included a review of SEC filings by SiRF, as well as regulatory filings and reports, securities
6 analysts' reports and advisories about the Company, press releases and other public statements issued by
7 the Company, and media reports about the Company, and plaintiff believes that substantial additional
8 evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for
9 discovery.

10 FIRST CLAIM

11 **Violation Of Section 10(b) Of** 12 **The Exchange Act And Rule 10b-5** 13 **Promulgated Thereunder Against All Defendants**

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

16 48. During the Class Period, defendants carried out a plan, scheme and course of conduct
17 which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including
18 plaintiff and other Class members, as alleged herein; (ii) enable the Individual Defendants to sell more
19 than \$9 million of their personally-held SiRF common stock to the unsuspecting public; and (iii) cause
20 plaintiff and other members of the Class to purchase SiRF securities at artificially inflated prices. In
21 furtherance of this unlawful scheme, plan and course of conduct, defendants, jointly and individually
(and each of them) took the actions set forth herein.

22 49. Defendants (a) employed devices, schemes, and artifices to defraud; (b) made untrue
23 statements of material fact and/or omitted to state material facts necessary to make the statements not
24 misleading; and (c) engaged in acts, practices, and a course of business which operated as a fraud and
25 deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market
26 prices for SiRF's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All
27 defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or
28 as controlling persons as alleged below.

1 50. Defendants, individually and in concert, directly and indirectly, by the use, means or
2 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous
3 course of conduct to conceal adverse material information about the business, operations and prospects
4 of SiRF as specified herein.

5 51. These defendants employed devices, schemes and artifices to defraud, while in
6 possession of material adverse non-public information, and engaged in acts, practices, and a course of
7 conduct as alleged herein in an effort to assure investors of SiRF's value and performance and continued
8 substantial growth, which included the making of, or the participation in the making of, untrue
9 statements of material facts and omitting to state material facts necessary in order to make the statements
10 made about SiRF and its business operations and prospects in the light of the circumstances under which
11 they were made, not misleading, as set forth more particularly herein, and engaged in transactions,
12 practices and a course of business which operated as a fraud and deceit upon the purchasers of SiRF
13 securities during the Class Period.

14 52. Each of the Individual Defendants' primary liability, and controlling person liability,
15 arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors
16 at the Company during the Class Period and members of the Company's management team or had
17 control thereof; (ii) each of these defendants, by virtue of his responsibilities and activities as a senior
18 officer and/or director of the Company, was privy to and participated in the creation, development and
19 reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these
20 defendants enjoyed significant personal contact and familiarity with the other defendants and was
21 advised of and had access to other members of the Company's management team, internal reports and
22 other data and information about the Company's finances, operations, and sales at all relevant times; and
23 (iv) each of these defendants was aware of the Company's dissemination of information to the investing
24 public which they knew or deliberately disregarded was materially false and misleading.

25 53. The defendants had actual knowledge of the misrepresentations and omissions of material
26 facts set forth herein, or acted with deliberate disregard for the truth in that they failed to ascertain and to
27 disclose such facts. Such defendants' material misrepresentations and/or omissions were done
28 knowingly or deliberately and for the purpose and effect of concealing SiRF's operating condition and

1 business prospects from the investing public and supporting the artificially inflated price of its securities.
2 As demonstrated by defendants' overstatements and misstatements of the Company's business,
3 operations and earnings throughout the Class Period, defendants, if they did not have actual knowledge
4 of the misrepresentations and omissions alleged, were deliberate in failing to obtain such knowledge by
5 deliberately refraining from taking those steps necessary to discover whether those statements were false
6 or misleading.

7 54. As a result of the dissemination of the materially false and misleading information and
8 failure to disclose material facts, as set forth above, the market price of SiRF securities was artificially
9 inflated during the Class Period. In ignorance of the fact that market prices of SiRF's publicly-traded
10 securities were artificially inflated, and relying directly or indirectly on the false and misleading
11 statements made by defendants, or upon the integrity of the market in which the securities trade, and/or
12 on the absence of material adverse information that was known to or deliberately disregarded by
13 defendants but not disclosed in public statements by defendants during the Class Period, plaintiff and the
14 other members of the Class acquired SiRF securities during the Class Period at artificially high prices
15 and were damaged thereby.

16 55. At the time of said misrepresentations and omissions, plaintiff and other members of the
17 Class were ignorant of their falsity, and believed them to be true. Had plaintiff and the other members
18 of the Class and the marketplace known the truth regarding the problems that SiRF was experiencing,
19 which were not disclosed by defendants, plaintiff and other members of the Class would not have
20 purchased or otherwise acquired their SiRF securities, or, if they had acquired such securities during the
21 Class Period, they would not have done so at the artificially inflated prices which they paid.

22 56. By virtue of the foregoing, defendants have violated Section 10(b) of the Exchange Act,
23 and Rule 10b-5 promulgated thereunder.

24 57. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other
25 members of the Class suffered damages in connection with their respective purchases and sales of the
26 Company's securities during the Class Period.

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SECOND CLAIM

**Violation Of Section 20(a) Of
The Exchange Act Against Individual Defendants**

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

59. The Individual Defendants acted as controlling persons of SiRF within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, and their ownership and contractual rights, participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, the Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which plaintiff contends are false and misleading. The Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

60. In particular, each of these defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, is presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

61. As set forth above, SiRF and the Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

**CERTIFICATION OF PROPOSED LEAD PLAINTIFF
PURSUANT TO THE FEDERAL SECURITIES LAWS**

I, James Furman, declare the following as to the claims asserted, or to be asserted, under the federal securities laws:

1. I have reviewed the complaint against SiRF Technology Holdings, Inc. and its officers, prepared by Girard Gibbs LLP, whom I designate as my counsel in this action for all purposes.

2. I did not acquire the securities of SiRF Technology Holdings, Inc. at the direction of Girard Gibbs LLP or in order to participate in any private action under the federal securities laws.

3. I am willing to serve as a lead plaintiff either individually or as part of a group. I understand that a lead plaintiff is a representative party who acts on behalf of other class members in directing the litigation, and whose duties may include testifying at deposition or trial.

4. I will not accept any payment for serving as a representative party beyond my pro rata share of any recovery, except reasonable costs and expenses, such as lost wages and travel expenses, directly related to the class representation, as ordered or approved by the Court pursuant to law.


5. I have not sought to serve or served as a representative party for a class in an action under the federal securities laws within the past three years.

6. I understand that this is not a claim form, and that my ability to share in any recovery as a class member is not affected by my decision to serve as a representative party.

7. My purchases and sales of SiRF Technology Holdings, Inc. securities between October 30, 2007 and February 4, 2008 are listed in **Attachment A** to this document.

8. I declare under penalty of perjury that the foregoing is true and correct.

Executed this 21st day of February, 2008


James Furman

ATTACHMENT A

**PURCHASES AND SALES OF SIRF TECHNOLOGY HOLDINGS, INC.
SECURITIES BY JAMES FURMAN
BETWEEN OCTOBER 30, 2007 AND FEBRUARY 4, 2008**

Trade Date	Number of Shares	Price Per Share/Unit	Buy or Sell
January 15, 2008	800	\$17.82	Bought