EXHIBITS
29(a-gg)-33
EXHIBIT 29
### UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
   Michael C. Wood
   LeapFrog Enterprises, Inc. (LF)
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. (LF)

3. Date of Earliest Transaction Required to be Reported
   07/30/2003

4. If amendment, Date Original Filed
   07/30/2003

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   □ Director
   □ 10% Owner
   □ Officer (give title below)
   □ Other (specify below)

   CEO, President, Vice Chairman

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>07/30/2003</td>
<td>M</td>
<td>V</td>
<td>6,594 A</td>
<td>$5.00 2,631,566 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>07/30/2003</td>
<td>S (1)</td>
<td>V</td>
<td>6,594 D</td>
<td>$29.77 2,624,972 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>07/30/2003</td>
<td>S (1)</td>
<td>V</td>
<td>16,906 D</td>
<td>$29.77 2,608,066 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>07/30/2003</td>
<td>S (1)</td>
<td>V</td>
<td>217 D</td>
<td>$29.77 31,350 I</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

ORIGINAL
### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3. Deemed Execution Date, if any (mm/dd/yy)</th>
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<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>07/30/2003</td>
<td>M (A)</td>
<td>6594</td>
<td>01/01/2000</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>6,594</td>
<td>991,448</td>
<td>Direct (D)</td>
<td>Indirect (I)</td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Signature of Reporting Person**

By:/s/ Michael C. Wood

*8/16/03*

**Notes:**

Intentional misstatements or omissions of facts constitute Federal Criminal Violations.


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 04-Aug-2003 12:59
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000012

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

---------- NOTICE ----------

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August 4, 2003

Mr. Herb Scholl
Chief, Office of EDGAR & Information Analysis
Division of Corporation Finance
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: LeapFrog Enterprises, Inc. (CIK: 0001138951)
Form Type: Form 4
Accession Number 0001215345-03-000012 – Date Adjustment Request

Dear Mr. Scholl:

The purpose of this letter is to request a change of date for the above referenced Form 4 EDGAR filing for LeapFrog Enterprises, Inc.

We attempted to connect approximately 25 times from 8:00 p.m. to 10:00 p.m. Eastern time via the SEC’s system on Friday, August 1, to submit the EDGAR filing. Due to technical difficulties we were not able to connect until August 4, 2003. The Form 4 filing was accepted at 12:59 on August 4, 2003, with an August 4, 2003 filing date. Since good faith attempts were made to file with the Commission but technical difficulties outside our control were encountered, we respectfully request an adjustment of the filing date to August 1, 2003.

The August 1, 2003 filing date is extremely important to us in order to remain in compliance with SEC rules. We are aware of and make every attempt to file all Section 16 filings within the accelerated deadlines recently adopted by the Commission. We attempted in good faith to file prior to 10:00 p.m. Eastern time. Please grant an adjustment of the filing date to August 1, 2003.

I appreciate your prompt consideration regarding this matter. Should you have questions regarding the circumstances of this filing I would be happy to provide any additional information required. I can be reached at (510) 420-4882. I would appreciate you informing me if and when the requested change in filing date has taken effect. My fax number is (510) 420-5008.

Very truly yours,

James P. Curley
Chief Financial Officer

JPC:msr

SEC Date Adjustment Req (Wood).doc

Learn Something New Every Day!™
Ex. 29(b)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person
   Michael C. Wood
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   (Month/Day/Year)
   08/06/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
   (check all applicable)
   X Director
   X Officer (give title below)
   10% Owner
   Other (specify below)
   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)
   X Form filed by One Reporting Person
   Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
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<th>4. Transaction Code (Instr. 8)</th>
<th>5. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
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<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>08/06/2003</td>
<td>M</td>
<td>8,254 A</td>
<td>$5.00</td>
<td>2,616,320</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/06/2003</td>
<td>S (I)</td>
<td>8,254 D</td>
<td>$29.47</td>
<td>2,608,066</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/06/2003</td>
<td>S (I)</td>
<td>21,121 D</td>
<td>$29.47</td>
<td>2,586,945</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/06/2003</td>
<td>S (I)</td>
<td>217 D</td>
<td>$29.47</td>
<td>31,079</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Trans- action Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities Beneficially Owned (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>08/06/2003</td>
<td>M (A)</td>
<td>8254</td>
<td>01/01/2000 (2)</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>8.254</td>
<td>0983,194</td>
<td>D</td>
<td><strong>Signature of Reporting Person</strong></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 22, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By/s: Peter M.O. Wong, Attorney-in-Fact, on behalf of Michael C. Wood
8/8/03


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
RECEIVED DATE: 08-Aug-2003 18:35 ACCEPTED DATE: 08-Aug-2003 18:35
FILING DATE: 08-Aug-2003 18:35
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000013

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(c)
**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. **Name and Address of Reporting Person**
   Michael C. Wood
   LeapFrog Enterprises, Inc. [LF]
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. **Issuer Name and Ticker or Trading Symbol**
   LeapFrog Enterprises, Inc. [LF]

3. **Date of Earliest Transaction Required to be Reported**
   (Month/Day/Year)
   08/13/2003

4. **If amendment, Date Original Filed**
   (Month/Day/Year)

5. **Relationship of Reporting Person(s) to Issuer**
   (check all applicable)
   
   - Director
   - Officer (give title below)
   - 10% Owner
   - Other (specify below)
   
   CEO, President, Vice Chairman

6. **Individual or Joint/Group Filing**
   (Check Applicable Line)
   
   - Form filed by One Reporting Person
   - Form filed by More Than One Reporting Person

| Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned |
|-----------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1. **Title of Security**          | 2. **Transaction Date** (mm/dd/yy) | 3A. **Transaction Date** (mm/dd/yy) | 3. **Transaction Code** (Instr. 8) | 4. **Securities Acquired (A) or Disposed of (D)** (Instr. 3, 4, & 5) | 5. **Amount of Securities Beneficially Owned Following Reported Transaction(s)** (Instr. 3, 4, & 5) | 6. **Ownership Form: Direct (D) or Indirect (I)** (Instr. 4) |
| Class A Common Stock              | 08/13/2003        | M               | 8,232 | A | $5.00 | 2,595,177 | D |
| Class A Common Stock              | 08/13/2003        | S (1)           | 8,232 | D | $30.02 | 2,586,945 | D |
| Class A Common Stock              | 08/13/2003        | S (1)           | 21,143 | D | $30.02 | 2,565,802 | D |
| Class A Common Stock              | 08/13/2003        | S (1)           | 271   | D | $30.02 | 30,808    | I |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Form 4 (cont.)**

**Name and Address of Reporting Person**
Michael C. Wood
6401 Hollis Street, Suite 150
Emeryville CA 94608

**Issuer Name and Ticker or Trading Symbol**
LeapFrog Enterprises, Inc. [LF]

**Period Of Report**
08/13/2003

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>08/13/2003</td>
<td>M</td>
<td>8232</td>
<td>01/01/2000 / 12/31/2009</td>
<td>Class A Common 8,232 0 974,962 D</td>
<td>By: James P. Curley, Attorney-in-Fact, on behalf of Michael C. Wood 8/14/03 <strong>Signature of Reporting Person</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - Granted 1/1/00 under the Issuer’s Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

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THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4
NUMBER OF DOCUMENTS: 1
RECEIVED DATE: 15-Aug-2003 15:30
ACCEPTED DATE: 15-Aug-2003 15:30
FILING DATE: 15-Aug-2003 15:30
TEST FILING: NO
CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000014

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(d)
1. Name and Address of Reporting Person*  
Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year)  
08/20/2003

4. If amendment, Date Original Filed (Month/Day/Year)  

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
_X_ Director  
_X_ Officer (give title below)  

CEO, President, Vice Chairman

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

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<tr>
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<td>08/20/2003</td>
<td></td>
<td>M</td>
<td>8,097 A</td>
<td>2,573,899</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/20/2003</td>
<td>S (1)</td>
<td>8,097 D</td>
<td>$33.97</td>
<td>2,565,802</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/20/2003</td>
<td>S (1)</td>
<td>20,546 D</td>
<td>$33.97</td>
<td>2,545,256</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/20/2003</td>
<td>G (2)</td>
<td>732 D</td>
<td>0</td>
<td>2,544,524</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/20/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td>$33.97</td>
<td>30,537</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>

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<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>08/20/2003</td>
<td>M</td>
<td>8097</td>
<td>01/01/2000 (3)</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>8,097</td>
<td>0</td>
<td>966,865</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Michael C. Wood 8/22/03
**Signature of Reporting Person

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 22-Aug-2003 19:54
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000015

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

------------------- NOTICE -------------------

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Ex. 29(e)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
Michael C. Wood
6401 Hollis Street, Suite 150
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year)
08/27/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
_X_ Director
_X_ Officer (give title below) ___ 10% Owner
___ Other (specify below)
CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)
_X_ Form filed by One Reporting Person
Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>08/27/2003</td>
<td></td>
<td>M</td>
<td>8,033 A</td>
<td>2,552,557 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/27/2003</td>
<td></td>
<td>S(1)</td>
<td>8,033 D</td>
<td>2,544,524 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/27/2003</td>
<td></td>
<td>S(1)</td>
<td>20,660 D</td>
<td>2,523,864 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/27/2003</td>
<td></td>
<td>G(2)</td>
<td>682 D</td>
<td>2,523,182 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>08/27/2003</td>
<td></td>
<td>S(1)</td>
<td>271 D</td>
<td>30,266</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Date (mm/dd/yy)</th>
<th>3. Trans- action Date (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities Beneficially Owned (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>08/27/2003</td>
<td>M</td>
<td>8033</td>
<td>01/01/2000 (3) 12/31/2009</td>
<td>Class A Common</td>
<td>8,033</td>
<td>0</td>
<td>958,832</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Signature of Reporting Person**

By: /s/ James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
8/29/03
Date

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
Margaret Rozowski

From: EDGAR.POSTMASTER@sec.gov
Sent: Friday, August 29, 2003 12:26 PM
To: Peter Wong; section16; Margaret Rozowski
Subject: ACCEPTED FORM TYPE 4 (0001215345-03-000016)

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 29-Aug-2003 19:24 TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000016

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46:

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

------------------ NOTICE ---------------------

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Ex. 29(f)
1. Name and Address of Reporting Person*  
Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LeapFrog Enterprises, Inc. [LF]

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
  _X_ Director  
  _X_ Officer (give title below)  
  __ Other (specify below)  
  CEO, President, Vice Chairman

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4, &amp; 5)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>09/03/2003</td>
<td>M</td>
<td>7,968 A</td>
<td>$5.00</td>
<td>2,531,150</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/03/2003</td>
<td>S (1)</td>
<td>7,968 D</td>
<td>$38.99</td>
<td>2,523,182</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/03/2003</td>
<td>S (1)</td>
<td>21,607 D</td>
<td>$38.99</td>
<td>2,501,575</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/03/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td>$38.99</td>
<td>29,995</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>09/03/2003</td>
<td>M</td>
<td>7968</td>
<td>01/01/2000 (2)</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>7,968</td>
<td>950,864</td>
<td>D</td>
<td><strong>Signature of Reporting Person</strong></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Signature of Reporting Person**

By:/s/ Michael C. Wood

9/5/03
Ex. 29(g)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES  

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility  
Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940  

1. Name and Address of Reporting Person*  
Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608  

2. Issuer Name and Ticker or Trading Symbol  
LeapFrog Enterprises, Inc. [LF]  

3. Date of Earliest Transaction Required to be Reported  
(Month/Day/Year)  
09/03/2003  

4. If amendment, Date Original Filed (Month/Day/Year)  
09/05/2003  

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
_X_ Director  
  _X_ Officer (give title below)  
  _X_ Other (specify below)  
CEO, President, Vice Chairman  

6. Individual or Joint/Group Filing (Check Applicable Line)  
_X_ Form filed by One Reporting Person  
  __ Form filed by More Than One Reporting Person  

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned  

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>09/03/2003</td>
<td>2A (1)</td>
<td>V</td>
<td>21,407 (D)</td>
<td>2,501,775</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.  
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).  
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Date Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
</table>

**Explanation of Responses:**

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - Correcting number of shares sold.

**Signature of Reporting Person**

\[\text{By:}/\text{Michael C. Wood} \]  
\[\text{Date: Sept 9, 2003}\]
The following submission has been accepted by the U.S. Securities and Exchange Commission.

Company: Leapfrog Enterprises Inc
Form Type: 4/A
Number of Documents: 1
Received Date: 10-Sep-2003 21:57
Accepted Date: 10-Sep-2003 21:58
Filing Date: 10-Sep-2003 21:57
Test Filing: No
Confirming Copy: No

Accession Number: 0001215345-03-000018

File Number(s):
1. 001-31396

The password for login CIK 0001215345 will expire 22-Jan-2004 16:46.

Please refer to the Accession Number listed above for future inquiries.

Reporting Owner(s):
1. CIK: 0001215345
   Owner: Wood Michael C
   Form Type: 4/A
   File Number(s):
   1. 001-31396

Issuer:
2. CIK: 0001138951
   Company: Leapfrog Enterprises Inc

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Ex. 29(h)
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*  
   Michael C. Wood  
   6401 Hollis Street, Suite 150  
   Emeryville CA 94608  

2. Issuer Name and Ticker or Trading Symbol  
   LeapFrog Enterprises, Inc. [LF]  

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year)  
   09/10/2003  

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
   _X_ Director  
   _X_ 10% Owner  
   _X_ Officer (give title below)  
   _X_ Other (specify below)  

   CEO, President, Vice Chairman  

6. Individual or Joint/Group Filing (Check Applicable Line)  
   _X_ Form filed by One Reporting Person  
   Form filed by More Than One Reporting Person  

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4, &amp; 5)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>09/10/2003</td>
<td></td>
<td>M</td>
<td>8,049 A</td>
<td>2,599,824 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/10/2003</td>
<td>S (1)</td>
<td>8,049 D</td>
<td>35.65 D</td>
<td>2,591,775 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/10/2003</td>
<td>S (1)</td>
<td>21,326 D</td>
<td>35.65 D</td>
<td>2,480,449 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/10/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td>35.65 D</td>
<td>29,724 I</td>
<td>I</td>
<td>By wife.</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Original
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
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<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4)</th>
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<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>09/10/2003</td>
<td>M</td>
<td>8049</td>
<td>01/01/2000 (2)</td>
<td>12/31/2009</td>
<td>Class A Common 8,049 0 942,815 D</td>
<td>942,815 D</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By /s/ Peter M.O. Wong, Attorney-in-Fact on behalf of Michael C. Wood
9/11/03
Date

**Signature of Reporting Person**
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 11-Sep-2003 20:49
TEST FILING: NO CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000019

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

---------------------------------------- NOTICE ----------------------------------------

URGENT: Verify that all of your addresses on the EDGAR database are correct. An incorrect address in the EDGAR Accounting Contact Name and Address information may result in your fee Account Activity Statement being returned to the SEC as undeliverable. Please correct outdated addresses via the EDGAR filing website.

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We strongly encourage you to visit the Filing Website at https://www.edgarfiling.sec.gov. You can download our current version of the EDGARLink/Windows software and templates, the Filer Manual, receive on-line help, and access Frequently Asked Questions.
Ex. 29(i)
**FORM 4**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

---

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

---

1. Name and Address of Reporting Person*
   Michael C. Wood
   LeapFrog Enterprises, Inc. [LF]
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   (Month/Day/Year)
   09/17/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   _X_ Director
   _X_ Officer (give title below)
   __ Other (specify below)
   CEO, President, Vice Chairman

---

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (mm/dd/yy)</th>
<th>Transaction Code</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
<th>Indirect Beneficial Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>09/17/2003</td>
<td>M</td>
<td>7,969</td>
<td>$5.00</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/17/2003</td>
<td>S (1)</td>
<td>7,969 D</td>
<td>$38.93</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/17/2003</td>
<td>S (1)</td>
<td>21,406 D</td>
<td>$38.93</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/17/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td>$38.93</td>
<td>I, By wife</td>
</tr>
</tbody>
</table>

---

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II -Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>09/17/2003</td>
<td></td>
<td>M</td>
<td>7969</td>
<td>01/01/2000 (2)</td>
<td>Class A Common</td>
<td>934,846</td>
<td>D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Michael C. Wood
**Signature of Reporting Person
Date

9/18/03
From: EDGAR.POSTMASTER@sec.gov
Sent: Friday, September 19, 2003 10:07 AM
To: Peter Wong; section16; Margaret Rozowski
Subject: ACCEPTED FORM TYPE 4 (0001215345-03-000020)

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC  
FORM TYPE: 4  NUMBER OF DOCUMENTS: 1  
RECEIVED DATE: 19-Sep-2003 17:06  ACCEPTED DATE: 19-Sep-2003 17:07  
FILING DATE: 19-Sep-2003 17:06  
TEST FILING: NO  CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000020

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345  
   OWNER: WOOD MICHAEL C  
   FORM TYPE: 4  
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951  
   COMPANY: LEAPFROG ENTERPRISES INC

------------------------ NOTICE ------------------------

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We strongly encourage you to visit the Filing Website at https://www.edgarfiling.sec.gov. You can download our current version of the EDGARLink/Windows software and templates, the Filer Manual, receive on-line help, and access Frequently Asked Questions.
Ex. 29(j)
1. Name and Address of Reporting Person*  
Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported  
(Month/Day/Year)  
09/24/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
_X_ Director  
_X_ Officer (give title below)  
10% Owner  
CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)  
_X_ Form filed by One Reporting Person  
Form filed by More Than One Reporting Person

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>09/24/2003</td>
<td>M</td>
<td>7,944 A</td>
<td>$5.00</td>
<td>2,466,987</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/24/2003</td>
<td>S (1)</td>
<td>7,944 D</td>
<td>$40.12</td>
<td>2,459,043</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/24/2003</td>
<td>S (1)</td>
<td>21,431 D</td>
<td>$40.12</td>
<td>2,437,612</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>09/24/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td>$40.12</td>
<td>29,182</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.  
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).  
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>09/24/2003</td>
<td>M</td>
<td></td>
<td>7944 (A)</td>
<td>1/01/2000 (2)</td>
<td>12/31/2009 Class A Common 7,944 0 926,902 D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Michael C. Wood 9/25/03
**Signature of Reporting Person Date**
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 26-Sep-2003 19:53
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000021

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(k)
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person
   Michael C. Wood
   LeapFrog Enterprises, Inc. [LF]
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   10/01/2003

4. If amendment, Date Original Filed
   10/01/2003

5. Relationship of Reporting Person(s) to Issuer
   _X_ Director
   _X_ Officer (give title below) 10% Owner
   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing
   _X_ Form filed by One Reporting Person
   Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Class A Common Stock</th>
<th>10/01/2003</th>
<th>M</th>
<th>6,366</th>
<th>A</th>
<th>$5.00</th>
<th>2,443,978</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/01/2003</td>
<td>S (1)</td>
<td>6,366</td>
<td>D</td>
<td>$38.76</td>
<td>2,437,612</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/01/2003</td>
<td>S (1)</td>
<td>17,134</td>
<td>D</td>
<td>$38.76</td>
<td>2,420,478</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/01/2003</td>
<td>S (1)</td>
<td>217</td>
<td>D</td>
<td>$38.76</td>
<td>28,965</td>
<td>I</td>
</tr>
</tbody>
</table>
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>10/01/2003</td>
<td>M</td>
<td>6366</td>
<td>01/01/2000 (2)</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>6,366</td>
<td>0</td>
<td>920,536</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By: /s/ James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
Date: 10/2/03
Signature of Reporting Person

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4
RECEIVED DATE: 03-Oct-2003 12:19
FILING DATE: 03-Oct-2003 12:19
ACCESSION NUMBER: 0001215345-03-000022
FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

--------------------- NOTICE ---------------------

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Ex. 29(1)
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940.

1. Name and Address of Reporting Person*  
   Michael C. Wood  
   6401 Hollis Street, Suite 150  
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol  
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported  
   (Month/Day/Year)  
   10/08/2003

4. If amendment, Date Original Filed (Month/Day/Year)  
   CEO, President, Vice Chairman

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
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<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/08/2003</td>
<td>M</td>
<td>6,298 A</td>
<td>$5.00</td>
<td>2,426,776 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/08/2003</td>
<td>S (1)</td>
<td>6,298 D</td>
<td>$43.95</td>
<td>2,420,478 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/08/2003</td>
<td>S (1)</td>
<td>17,201 D</td>
<td>$43.95</td>
<td>2,403,277 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/08/2003</td>
<td>S (1)</td>
<td>217 D</td>
<td>$43.95</td>
<td>28,748</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>10/08/2003</td>
<td>M</td>
<td>6298</td>
<td>01/01/2000 (2) 12/31/2009</td>
<td>Class A Common 6,298 0 914,238</td>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

Signature of Reporting Person

Page 2 of 2
10/09/03 3:54:13 PM

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 09-Oct-2003 21:40
TEST FILING: NO CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000023
FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

---------- NOTICE ----------

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Ex. 29(m)
STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
   Michael C. Wood
   LeapFrog Enterprises, Inc. [LF]
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   10/08/2003

4. If amendment, Date Original Filed (Month/Day/Year)
   10/09/2003

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   _X_ Director
   _X_ Officer (give title below)
   ___ 10% Owner

   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)
   _X_ Form filed by One Reporting Person
   ___ Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5) Code</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/08/2003</td>
<td></td>
<td>S (1)</td>
<td>17,202 D</td>
<td>2,403,276 D</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Form 4 (cont.)
Name and Address of Reporting Person
Michael C. Wood
6401 Hollis Street, Suite 150
Emeryville CA 94608

Issuer Name and Ticker or Trading Symbol
LeapFrog Enterprises, Inc. [LF]

Period Of Report
10/08/2003

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code V</strong></td>
<td><strong>A</strong></td>
<td><strong>Date Exercisable</strong></td>
<td><strong>Expiration Date</strong></td>
<td><strong>Title</strong></td>
<td><strong>Amount or Number of Shares</strong></td>
<td><strong>Price of Derivative Security</strong></td>
<td><strong>No. of Derivative Securities Beneficially Owned Following Reported Transaction(s)</strong></td>
<td><strong>Ownership Form of Derivative Securities: Direct (D) or Indirect (I)</strong></td>
<td><strong>Nature of Indirect Beneficial Ownership</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
1. - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. - Correcting number of shares sold.

By:/s/ Michael C. Wood
**Signature of Reporting Person**
10/16/03


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4/A NUMBER OF DOCUMENTS: 1
TEST FILING: NO CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000024
FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4/A
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

------------------------------- NOTICE -------------------------------

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Ex. 29(n)
UNITED STATES SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
   Michael C. Wood
   LeapFrog Enterprises, Inc. [LF]
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   10/15/2003

4. If amendment, Date Original Filed
   10/16/2003

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   _X_ Director
   _X_ Officer (give title below)
   CEO, President, Vice Chairman
   10% Owner

6. Individual or Joint/Group Filing (Check Applicable Line)
   _X_ Form filed by One Reporting Person
   Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/15/2003</td>
<td>M</td>
<td>6,283 A</td>
<td>$5.00</td>
<td>2,409,559</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/15/2003</td>
<td>S (1)</td>
<td>6,283 D</td>
<td>$45.16</td>
<td>2,403,276</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/15/2003</td>
<td>S (1)</td>
<td>17,217 D</td>
<td>$45.16</td>
<td>2,386,059</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/15/2003</td>
<td>S (1)</td>
<td>217 D</td>
<td>$45.16</td>
<td>28,531</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date or Action Code (Instr. 3)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transactions Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>10/15/2003</td>
<td>M</td>
<td>(A)</td>
<td>6283</td>
<td>01/01/2000 (2)</td>
<td>Class A Common</td>
<td>6,283</td>
<td>0</td>
<td>907,955</td>
<td>D</td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

2. Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**By:/s/ Michael C. Wood**

**Signature of Reporting Person**

10/16/03

**Date**

---

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
TEST FILING: NO CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000025

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(o)
FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* 2. Issuer Name and Ticker or Trading Symbol 5. Relationship of Reporting Person(s) to Issuer (check all applicable)
Michael C. Wood LeapFrog Enterprises, Inc. [LF] _X_ Director _X_ Officer (give title below) 10% Owner
6401 Hollis Street Suite 150 Emeryville CA 94608 CEO, President, Vice Chairman

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 4. If amendment, Date Original Filed (Month/Day/Year)
10/22/2003

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security (Instr. 3)</th>
<th>Transaction Date (mm/dd/yy)</th>
<th>Transaction Code</th>
<th>Transaction (A) or (D)</th>
<th>Amount</th>
<th>Price</th>
<th>Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
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</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/22/2003</td>
<td>M</td>
<td>A</td>
<td>6,477</td>
<td>$5.00</td>
<td>2,392,536 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/22/2003</td>
<td>S (1)</td>
<td>D</td>
<td>6,477</td>
<td>$34.01</td>
<td>2,386,059 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/22/2003</td>
<td>S (1)</td>
<td>D</td>
<td>17,023</td>
<td>$34.01</td>
<td>2,369,036 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/22/2003</td>
<td>S (1)</td>
<td>D</td>
<td>217</td>
<td>$34.01</td>
<td>28,314 I</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

1. Name and Address of Reporting Person* 2. Issuer Name and Ticker or Trading Symbol 5. Relationship of Reporting Person(s) to Issuer (check all applicable)
Michael C. Wood LeapFrog Enterprises, Inc. [LF] _X_ Director _X_ Officer (give title below) 10% Owner
6401 Hollis Street Suite 150 Emeryville CA 94608 CEO, President, Vice Chairman

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 4. If amendment, Date Original Filed (Month/Day/Year)
10/22/2003

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<td>A</td>
<td>6,477</td>
<td>$5.00</td>
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<td>10/22/2003</td>
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<td>D</td>
<td>17,023</td>
<td>$34.01</td>
<td>2,369,036 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/22/2003</td>
<td>S (1)</td>
<td>D</td>
<td>217</td>
<td>$34.01</td>
<td>28,314 I</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
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Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Form 4 (cont.)
Name and Address of Reporting Person
Michael C. Wood
6401 Hollis Street, Suite 150
Emeryville CA 94608

Issuer Name and Ticker or Trading Symbol
LeapFrog Enterprises, Inc. [LF]

Period Of Report
10/22/2003

Table II -Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>10/22/2003</td>
<td>M</td>
<td>6477</td>
<td>01/01/2000 (2) 12/31/2009</td>
<td>Class A Common 6,477 0 901,478 D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Cecilia M. Mao, Attorney-in-Fact on behalf of Michael C. Wood 10/24/03

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 24-Oct-2003 19:34
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000026

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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1. Name and Address of Reporting Person* 2. Issuer Name and Ticker or Trading Symbol 3. Date of Earliest Transaction Required to be Reported
6401 Hollis Street, Suite 150 Emeryville CA 94608

4. If amendment, Date Original Filed (Month/Day/Year) 5. Relationship of Reporting Person(s) to Issuer (check all applicable)
6. Individual or Joint/Group Filing (Check Applicable Line)

CEO, President, Vice Chairman

_X_ Director
_X_ Officer (give title below)
____ Other (specify below)

Form filed by One Reporting Person
Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4 &amp; 5)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>10/29/2003</td>
<td>M</td>
<td>6,482 A</td>
<td>$5.00</td>
<td>2,375,518</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/29/2003</td>
<td>S (1)</td>
<td>6,482 D</td>
<td>$33.79</td>
<td>2,369,036</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/29/2003</td>
<td>S (1)</td>
<td>17,018 D</td>
<td>$33.79</td>
<td>2,352,018</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>10/29/2003</td>
<td>S (1)</td>
<td>217 D</td>
<td>$33.79</td>
<td>28,097</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>10/29/2003</td>
<td></td>
<td>M</td>
<td>6482</td>
<td>01/01/2000</td>
<td>Class A Common</td>
<td>6,482</td>
<td>0</td>
<td>894,996</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4
NUMBER OF DOCUMENTS: 1
RECEIVED DATE: 31-Oct-2003 18:58
ACCEPTED DATE: 31-Oct-2003 18:59
FILING DATE: 31-Oct-2003 18:58
TEST FILING: NO
CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000027
FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
OWNER: WOOD MICHAEL C
FORM TYPE: 4
FILE NUMBER(S):
1. 001-31396

ISSUER:
2. CIK: 0001138951
COMPANY: LEAPFROG ENTERPRISES INC

-------------------------------- NOTICE --------------------------------

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We strongly encourage you to visit the Filing Website at https://www.edgarfiling.sec.gov. You can download our current version of the EDGARLink/Windows software and templates, the Filer Manual, receive on-line help, and access Frequently Asked Questions.
Ex. 29(q)
### UNITED STATES SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. **Name and Address of Reporting Person**
   - Michael C. Wood
   - LeapFrog Enterprises, Inc. [LF]
   - 6401 Hollis Street, Suite 150
   - Emeryville CA 94608

2. **Issuer Name and Ticker or Trading Symbol**
   - LeapFrog Enterprises, Inc. [LF]

3. **Relationship of Reporting Person(s) to Issuer**
   - X Director
   - 10% Owner
   - Officer (give title below)
   - Other (specify below)

4. **Date of Earliest Transaction Required to be Reported**
   - 11/05/2003

5. **Transaction Date**
   - 11/05/2003

6. **Individual or Joint/Group Filing**
   - X Form filed by One Reporting Person

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (mm/dd/yy)</th>
<th>Transaction Code (Instr. 8)</th>
<th>Amount</th>
<th>Price</th>
<th>Ownership Following Reported Transaction(s) (Instr. 3, 4, &amp; 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>11/05/2003</td>
<td>M</td>
<td>8,086</td>
<td>A</td>
<td>$5.00</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/05/2003</td>
<td>S (1)</td>
<td>8,086</td>
<td>D</td>
<td>$34.33</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/05/2003</td>
<td>S (1)</td>
<td>21,289</td>
<td>D</td>
<td>$34.33</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/05/2003</td>
<td>S (1)</td>
<td>271</td>
<td>D</td>
<td>$34.33</td>
</tr>
</tbody>
</table>

**Reminder:** Report on a separate line for each class of securities beneficially owned directly or indirectly.

*If the form is filed by more than one reporting person, see Instruction 4(b)(v).* 

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>11/05/2003</td>
<td>M</td>
<td>8086</td>
<td>01/01/2000 (2) 12/31/2009</td>
<td>Class A Common 8,086 0 886,910</td>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 24, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By: /s/ Peter M.O. Wong, Attorney-in-Fact on behalf of Michael C. Wood
Date 11/7/03
Signature of Reporting Person **

**Signature of Reporting Person

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

Issuer Name and Ticker or Trading Symbol
LeapFrog Enterprises, Inc. [LF]

Period Of Report
11/05/2003
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4  NUMBER OF DOCUMENTS: 1
FILING DATE: 07-Nov-2003 20:45
TEST FILING: NO  CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000028

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(r)
## FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>11/12/2003</td>
<td></td>
<td>M</td>
<td>8,113 A</td>
<td>$5.00</td>
<td>2,338,842</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/12/2003</td>
<td>S (1)</td>
<td>8,113 D</td>
<td></td>
<td>$33.43</td>
<td>2,330,729</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/12/2003</td>
<td>S (1)</td>
<td>21,262 D</td>
<td></td>
<td>$33.43</td>
<td>2,309,467</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/12/2003</td>
<td>S (1)</td>
<td>271 D</td>
<td></td>
<td>$33.43</td>
<td>27,555</td>
<td>I</td>
</tr>
</tbody>
</table>

**Reminder:** Report on a separate line for each class of securities beneficially owned directly or indirectly.

*If the form is filed by more than one reporting person, see Instruction 4(b)(v).*

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

original

Page 1 of 2
11/14/2003 10:59:11 AM
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>11/12/2003</td>
<td>M</td>
<td>(A)</td>
<td>8,113</td>
<td>01/01/2000</td>
<td>Class A Common</td>
<td>8,113</td>
<td>D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
Date: 11/12/2003

**Signature of Reporting Person**
Margaret Rozowski

From: EDGAR@sec.gov
Sent: Friday, November 14, 2003 1:08 PM
To: Peter Wong; section16; Margaret Rozowski
Subject: ACCEPTED FORM TYPE 4 (0001215345-03-000029)

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4
RECEIVED DATE: 14-Nov-2003 21:07
FILING DATE: 14-Nov-2003 21:07
TEST FILING: NO
ACCESSION NUMBER: 0001215345-03-000029

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(s)
**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. **Name and Address of Reporting Person**
   Michael C. Wood
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. **Issuer Name and Ticker or Trading Symbol**
   LeapFrog Enterprises, Inc. [LF]

3. **Date of Earliest Transaction Required to be Reported**
   11/19/2003

4. **Relationship of Reporting Person(s) to Issuer**
   _X_ Director
   _X_ Officer (give title below) __ Other (specify below)
   CEO, President, Vice Chairman

5. **Date of Original Filed**
   1/22/2004

**Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>Class A Common Stock</th>
<th>11/19/2003</th>
<th>M</th>
<th>10,653</th>
<th>A</th>
<th>$5.00</th>
<th>2,320,120</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>11/19/2003</td>
<td>S(1)</td>
<td>10,653</td>
<td>D</td>
<td>$29.52</td>
<td>2,309,467</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/19/2003</td>
<td>S(1)</td>
<td>14,050</td>
<td>D</td>
<td>$29.52</td>
<td>2,295,417</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/19/2003</td>
<td>G(2)</td>
<td>4,672</td>
<td>D</td>
<td>0</td>
<td>2,290,745</td>
<td>D</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/19/2003</td>
<td>S(1)</td>
<td>271</td>
<td>D</td>
<td>$29.52</td>
<td>27,284</td>
<td>I</td>
</tr>
</tbody>
</table>

*Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.*

*If the form is filed by more than one reporting person, see Instruction 4(b)(v).*

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>11/19/2003</td>
<td>M</td>
<td>(A)</td>
<td>10,653</td>
<td>01/01/2000 (3)</td>
<td>Class A Common</td>
<td>0.868,144</td>
<td>D</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
3. - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Michael C. Wood
**Signature of Reporting Person**

11/21/2003
**Date**
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC  
FORM TYPE: 4  
NUMBER OF DOCUMENTS: 1  
TEST FILING: NO  
CONFIRMING COPY: NO  
ACCESSION NUMBER: 0001215345-03-000030  
FILE NUMBER(S):  
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.  
PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345  
OWNER: WOOD MICHAEL C  
FORM TYPE: 4  
FILE NUMBER(S):  
1. 001-31396

2. CIK: 0001138951  
COMPANY: LEAPFROG ENTERPRISES INC

------------------------- NOTICE -------------------------

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Ex. 29(t)
FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
   Michael C. Wood
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   11/26/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
   (check all applicable)
   _X_ Director
   _X_ Officer (give title below) ___ Other (specify below)

   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing
   (Check Applicable Line)
   _X_ Form filed by One Reporting Person
   ___ Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Amount of Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>11/26/2003</td>
<td>M</td>
<td>10,653</td>
<td>A $5.00</td>
<td>2,301,398 D</td>
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<tr>
<td>Class A Common Stock</td>
<td>11/26/2003</td>
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<td>10,653</td>
<td>D $30.55</td>
<td>2,290,745 D</td>
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<tr>
<td>Class A Common Stock</td>
<td>11/26/2003</td>
<td>S (1)</td>
<td>13,975</td>
<td>D $30.55</td>
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<tr>
<td>Class A Common Stock</td>
<td>11/26/2003</td>
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<td>4,747</td>
<td>D 0</td>
<td>2,272,023 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>11/26/2003</td>
<td>S (1)</td>
<td>271</td>
<td>D $30.55</td>
<td>27,013 I</td>
<td>I By wife</td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>11/26/2003</td>
<td>M</td>
<td>10,653</td>
<td>01/01/2000 (3)</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>10,653</td>
<td>0</td>
<td>857,491</td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By: James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
Date: 12/1/2003
**Signature of Reporting Person

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
Margaret Rozowski

From: EDGAR@sec.gov
Sent: Monday, December 01, 2003 1:03 PM
To: Peter Wong; section16; Margaret Rozowski
Subject: ACCEPTED FORM TYPE 4 (0001215345-03-000031)

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
RECEIVED DATE: 01-Dec-2003 21:02 ACCEPTED DATE: 01-Dec-2003 21:03
FILING DATE: 01-Dec-2003 21:02
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000031

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

-------------------------- NOTICE --------------------------

URGENT: Verify that all of your addresses on the EDGAR database are correct. An incorrect address in the EDGAR Accounting Contact Name and Address information may result in your fee Account Activity Statement being returned to the SEC as undeliverable. Please correct outdated addresses via the EDGAR filing website.

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Ex. 29(u)
United States Securities Exchange Commission
Washington, D.C. 20549

Statement of Changes in Beneficial Ownership of Securities

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* Michael C. Wood 6401 Hollis Street, Suite 150 Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported (Month/Day/Year) 12/03/2003

4. If amendment, Date Original Filed (Month/Day/Year) 12/03/2003

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   - Director
   - Officer (give title below)
   - 10% Owner
   - Other (specify below)

   CEO, President, Vice Chairman

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>12/03/2003</td>
<td>M</td>
<td>8,523 A</td>
<td>$5.00</td>
<td>2,280,546</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/03/2003</td>
<td>S(1)</td>
<td>8,523 D</td>
<td>$30.22</td>
<td>2,272,023</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/03/2003</td>
<td>S(1)</td>
<td>9,308 D</td>
<td>$30.22</td>
<td>2,262,715</td>
<td>D</td>
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</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/03/2003</td>
<td>G(2)</td>
<td>5,669 D</td>
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<td>2,257,046</td>
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</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/03/2003</td>
<td>S(1)</td>
<td>217 D</td>
<td>$30.22</td>
<td>26,796</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>12/03/2003</td>
<td>M</td>
<td>8,523</td>
<td>Date Exercisable: 01/01/2000 (3) Expiration Date: 12/31/2009</td>
<td>Class A Common</td>
<td>8,523</td>
<td>0</td>
<td>848,968</td>
<td>D</td>
<td><strong>Signature of Reporting Person</strong></td>
</tr>
</tbody>
</table>

Explanation of Responses:

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By:/s/ Michael C. Wood 12/5/2003

**Signature of Reporting Person**

Date
The following submission has been accepted by the U.S. Securities and Exchange Commission.

Company: Leapfrog Enterprises Inc
Form Type: 4
Number of Documents: 1
Received Date: 05-Dec-2003 18:05
Accepted Date: 05-Dec-2003 18:05
Filing Date: 05-Dec-2003 18:05
Test Filing: No
Confirming Copy: No
Accession Number: 0001215345-03-000032

File Number(s):
1. 001-31396

The password for login CIK 0001215345 will expire 22-Jan-2004 16:46.

Please refer to the accession number listed above for future inquiries.

Reporting Owner(s):

1. CIK: 0001215345
   Owner: Wood Michael C
   Form Type: 4
   File Number(s):
   1. 001-31396

Issuer:

2. CIK: 0001138951
   Company: Leapfrog Enterprises Inc

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Ex. 29(v)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
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12/10/2003

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   _X_ Officer (give title below)  
   ___ 10% Owner  
   ___ Other (specify below)

CEO, President, Vice Chairman

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   Form filed by More Than One Reporting Person

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<table>
<thead>
<tr>
<th>1. Title of Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
</tr>
<tr>
<td>2. Transaction Date (mm/dd/yy)</td>
</tr>
<tr>
<td>12/10/2003</td>
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<table>
<thead>
<tr>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
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<th>3. Transaction Code</th>
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<td>(Instr. 8)</td>
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<tr>
<th>4. Securities Acquired (A) or Disposed of (D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Instr. 3, 4, &amp; 5)</td>
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| 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) |
| (Instr. 4) |

<table>
<thead>
<tr>
<th>6. Ownership Form: Direct (D) or Indirect (I)</th>
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<table>
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<tr>
<th>7. Nature of Indirect Beneficial Ownership</th>
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</table>

<table>
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<th>Date</th>
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<th>Code</th>
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<th>Amount</th>
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<table>
<thead>
<tr>
<th>26579</th>
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</thead>
</table>

By wife

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**

(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
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<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transmission Date (mm/dd/yy)</th>
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<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
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<tr>
<td>Class A Common</td>
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<td>8,523</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Signature of Reporting Person**

By/s/ Michael C. Wood

Date 12/12/2003

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.

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THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4
NUMBER OF DOCUMENTS: 1
RECEIVED DATE: 12-Dec-2003 20:14
ACCEPTED DATE: 12-Dec-2003 20:15
FILING DATE: 12-Dec-2003 20:14
TEST FILING: NO
CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000033

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

--------------------------- NOTICE ---------------------------

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Ex. 29(w)
## Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>12/17/2003</td>
<td>M</td>
<td>V</td>
<td>8,523 A</td>
<td>2,250,592 D</td>
<td>D</td>
<td>By wife</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/17/2003</td>
<td>S(1)</td>
<td></td>
<td>8,523 D</td>
<td>2,242,069 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/17/2003</td>
<td>S(1)</td>
<td></td>
<td>7,492 D</td>
<td>2,234,577 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/17/2003</td>
<td>G(2)</td>
<td>V</td>
<td>7,485 D</td>
<td>2,227,092 D</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/17/2003</td>
<td>S(1)</td>
<td></td>
<td>217 D</td>
<td>26,262</td>
<td>I</td>
<td></td>
</tr>
</tbody>
</table>
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Transaction(s) (Instr. 3, 4, &amp; 5)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>12/17/2003</td>
<td>M</td>
<td>8,523</td>
<td>01/01/2000</td>
<td>12/31/2009</td>
<td>Class A Common</td>
<td>8,523</td>
<td>0</td>
<td>831,922</td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By:/s/ Cecilia M. Mao, Attorney-in-Fact on behalf of Michael C. Wood 12/19/2003

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 19-Dec-2003 21:20
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-03-000034

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

--------------------- NOTICE ---------------------

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Ex. 29(x)
UNITED STATES SECURITIES EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*  
Michael C. Wood  
6401 Hollis Street, Suite 150  
Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported  
(Month/Day/Year)  
12/24/2003

4. If amendment, Date Original Filed (Month/Day/Year)  

5. Relationship of Reporting Person(s) to Issuer (check all applicable)  
X Director  
10% Owner  
X Officer (give title below)  
Other (specify below)  
CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)  
X Form filed by One Reporting Person  
Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>2A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership</th>
<th>Code</th>
<th>Amount</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>12/24/2003</td>
<td></td>
<td>M</td>
<td>8,523 A</td>
<td>2,235,615 D</td>
<td>D</td>
<td></td>
<td>By wife</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/24/2003</td>
<td></td>
<td>S (1)</td>
<td>8,523 D</td>
<td>2,227,092 D</td>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/24/2003</td>
<td></td>
<td>S (1)</td>
<td>8,762 D</td>
<td>2,218,330 D</td>
<td>D</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/24/2003</td>
<td></td>
<td>G (2)</td>
<td>6,215 D</td>
<td>2,212,115 D</td>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/24/2003</td>
<td></td>
<td>S (1)</td>
<td>217 D</td>
<td>26,145 I</td>
<td>I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Trans- action Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, &amp; 4)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>12/24/2003</td>
<td>M</td>
<td>(A)</td>
<td>8,523</td>
<td>01/01/2000 (3)</td>
<td>Class A Common</td>
<td>8,523</td>
<td>0</td>
<td>823,399</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) - The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(2) - The gift reported in this Form 4 was made pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
(3) - Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

**Signature of Reporting Person**

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 24-Dec-2003 14:22
TEST FILING: NO CONFIRMING COPY: NO
ACCESSION NUMBER: 0001215345-03-000035

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Ex. 29(y)
FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person*
   Michael C. Wood
   6401 Hollis Street, Suite 150
   Emeryville CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LeapFrog Enterprises, Inc. [LF]

3. Date of Earliest Transaction Required to be Reported
   (Month/Day/Year)
   12/31/2003

4. If amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (check all applicable)
   X Director
   ___ Officer (give title below) ___ 10% Owner
   ___ Other (specify below)
   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)
   X Form filed by One Reporting Person
   ___ Form filed by More Than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 &amp; 5)</th>
<th>5. Securities Acquired Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4 &amp; 5)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>12/31/2003</td>
<td>M</td>
<td>8,523 A</td>
<td>$5.00</td>
<td>2,220,638</td>
<td>D</td>
<td>Ownership Form: Direct (D) or Indirect (I)</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/31/2003</td>
<td>S (1)</td>
<td>8,523 D</td>
<td>$26.49</td>
<td>2,212,115</td>
<td>D</td>
<td>Ownership Form: Direct (D) or Indirect (I)</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/31/2003</td>
<td>S (1)</td>
<td>14,977 D</td>
<td>$26.49</td>
<td>2,197,138</td>
<td>D</td>
<td>Ownership Form: Direct (D) or Indirect (I)</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>12/31/2003</td>
<td>S (1)</td>
<td>217 D</td>
<td>$26.49</td>
<td>25,928</td>
<td>I</td>
<td>Ownership Form: Direct (D) or Indirect (I)</td>
</tr>
</tbody>
</table>

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

ORIGINAI

Page 1 of 2
1/5/2004 3:06:23 PM
### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date or Expiration Date (mm/dd/yy)</th>
<th>3A. Deemed Execution Date, if any (mm/dd/yy)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. No. of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, &amp; 5)</th>
<th>6. Date Exercisable and Expiration Date (mm/dd/yy)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 &amp; 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. No. of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3, 4 &amp; 5)</th>
<th>10. Ownership Form of Derivative Securities: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5.00</td>
<td>12/31/2003</td>
<td>M</td>
<td>(A)</td>
<td>8,523</td>
<td>01/01/2000 (2)</td>
<td>Class A Common</td>
<td>8,523</td>
<td>0</td>
<td>814,876</td>
<td>D</td>
</tr>
</tbody>
</table>

**Explanation of Responses:**

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

2. Granted 1/1/00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

By/s/ Cecilia M. Mao, Attorney-in-Fact on behalf of Michael C. Wood 1/5/2004

**Signature of Reporting Person**

---

**Intentional misstatements or omissions of facts constitute Federal Criminal Violations.**


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure.
THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 05-Jan-2004 19:39
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-04-000001

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):
1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:
2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Submission Notification

Subject: ACCEPTED FORM TYPE 4 (0001215345-04-000001)
Date: 05-Jan-2004 19:39

THE FOLLOWING SUBMISSION HAS BEEN ACCEPTED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION.

COMPANY: LEAPFROG ENTERPRISES INC
FORM TYPE: 4 NUMBER OF DOCUMENTS: 1
FILING DATE: 05-Jan-2004 19:39
TEST FILING: NO CONFIRMING COPY: NO

ACCESSION NUMBER: 0001215345-04-000001

FILE NUMBER(S):
1. 001-31396

THE PASSWORD FOR LOGIN CIK 0001215345 WILL EXPIRE 22-Jan-2004 16:46.

PLEASE REFER TO THE ACCESSION NUMBER LISTED ABOVE FOR FUTURE INQUIRIES.

REPORTING OWNER(S):

1. CIK: 0001215345
   OWNER: WOOD MICHAEL C
   FORM TYPE: 4
   FILE NUMBER(S):
   1. 001-31396

ISSUER:

2. CIK: 0001138951
   COMPANY: LEAPFROG ENTERPRISES INC

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Submission Information

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CIK: 0001215345

Click on an accession number to retrieve notification information for that submission.

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<th>Accession Number</th>
<th>Form Type</th>
<th>Receipt Date</th>
<th>Mode</th>
<th>Status</th>
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<td>05-Jan-2004 19:39</td>
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Ex. 29(z)
1. Name and Address of Reporting Person  
WOOD MICHAEL C.  
6401 HOLLIS STREET, SUITE 150, EMERYVILLE CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LEAPPFROG ENTERPRISES INC [LF]

3. Date of Earliest Transaction (Month/Day/Year)  
01/07/2004

4. If Amendment, Date of Original Filed (Month/Day/Year)  
6. Individual or Joint/Group Filing (Check Applicable Line)  
X Form filed by One Reporting Person  

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>2A. Deemed Execution Date, If any (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>01/07/2004</td>
<td></td>
<td>M</td>
<td>8,271 A</td>
<td>22,035,409</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/07/2004</td>
<td></td>
<td>S(1)</td>
<td>8,271 D</td>
<td>2,197,138</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/07/2004</td>
<td></td>
<td>S(1)</td>
<td>21,104 D</td>
<td>2,176,034</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/07/2004</td>
<td></td>
<td>S(1)</td>
<td>271 D</td>
<td>25,657</td>
<td>I</td>
<td>By wife</td>
</tr>
</tbody>
</table>

(1) Includes 2,554 shares acquired pursuant to a dividend.
Table II – Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 3)</th>
<th>9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>$5</td>
<td>01/07/2004</td>
<td>M</td>
<td>8,271</td>
<td>01/01/2000 to 12/31/2009</td>
<td>Class A Common</td>
<td>8,271</td>
<td>0</td>
<td>806,605</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:
1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 111100 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.

James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
01/06/2004

**Signature of Reporting Person**

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).


Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.
Ex. 29(aa)
1. Name and Address of Reporting Person
   WOOD MICHAEL C
   [address]

2. Issuer Name and Ticker or Trading Symbol
   LEAPFROG ENTERPRISES INC [LF]

3. Date of Earliest Transaction (Month/Day/Year)
   01/14/2004

4. Individual or Joint/Group Filing (Check Applicable Line)
   X Form filed by One Reporting Person
   X Form filed by More than One Reporting Person

5. Relationship of Reporting Person(s) to Issuer
   CEO, President, Vice Chairman

6. Transaction Codes
   W Open Market 
   M exercised exercisable
   S(1) Securities Acquired (A) or Disposed of (D)
   $ Price

7. Nature of Indirect Beneficial Ownership
   By spouse

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date</th>
<th>Transaction Code</th>
<th>Securities Acquired</th>
<th>Amount of Securities Beneficially Owned Following Reported Transaction(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>M</td>
<td>A</td>
<td>$5</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>M</td>
<td>A</td>
<td>$5</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/14/2004</td>
<td>S(1)</td>
<td>D</td>
<td>$28.78</td>
</tr>
</tbody>
</table>

By spouse
<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 6)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form of Derivative Security (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonqualified Stock Option (right to buy)</td>
<td>$5</td>
<td>01/14/2004</td>
<td>M</td>
<td>6,605</td>
<td>01/01/2000 to 12/31/2009</td>
<td>Class A Common</td>
<td>6,605</td>
<td>$0</td>
<td>600,000</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Nonqualified Stock Option (right to buy)</td>
<td>$5</td>
<td>01/14/2004</td>
<td>M</td>
<td>1,837</td>
<td>01/01/2000 to 12/31/2009</td>
<td>Class A Common</td>
<td>1,837</td>
<td>$0</td>
<td>796,363</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 1,111,00 under the Issuer's Stock Option Plan. Options vest at the approximate rate of 1/48th per month as follows: 8,333 options vest each month commencing on 1/1/00 through 12/1/03; 8,349 options vest on 1/1/04.
3. Granted 1,111,00 under the Issuer's Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5.00. 1.0416% of the options from each of (a), (b), and (c) vested each month commencing 1-1-00. Following the Company's July 2002 IPO, vesting accelerated to 2.0832% per month.

James P. Cuddy, Attorney-in-Fact on behalf of Michael C. Wood 01/14/2004
Signature of Reporting Person Date

Reminder: Report on separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see instruction 4(b)(v).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

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Ex. 29(bb)
Form 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

FORM 4

Name and Address of Reporting Person

WOOD MICHAEL C

6401 HOLLIS STREET, SUITE 150

EMERYVILLE CA 94608

Issuer Name and Ticker or Trading Symbol

LEAPFROG ENTERPRISES INC [LF]

Relation of Reporting Person(s) to Issuer

CEO, President, Vice Chairman

Issuer and Address of Issuer

LEAPFROG ENTERPRISES INC

6401 HOLLIS STREET, SUITE 150

EMERYVILLE CA 94608

Date of Earliest Transaction (Month/Day/Year)

01/21/2004

Type of Transaction

M

Code

A

Amount (A) or (D) (Instr. 4)

$5

Price

2,163,083

Direct (D) or Indirect Beneficial Ownership (Instr. 4)

D

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Transaction Date (Month/Day/Year)</th>
<th>2A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>3. Transaction Code (Instr. 9)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4 and 5)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>01/21/2004</td>
<td></td>
<td>M</td>
<td>A</td>
<td>2,163,083</td>
<td>D</td>
<td>By spouse</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/21/2004</td>
<td></td>
<td>S(1)</td>
<td>D</td>
<td>$31.34</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/21/2004</td>
<td></td>
<td>S(1)</td>
<td>D</td>
<td>$31.34</td>
<td>D</td>
<td></td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/21/2004</td>
<td></td>
<td>S(1)</td>
<td>D</td>
<td>$31.34</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Form filed by One Reporting Person

Form filed by More than One Reporting Person
Table II – Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 5)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 6)</th>
<th>9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)</th>
<th>10. Ownership Form of Derivative Security: Direct (D) or Indirect (I)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonqualified Stock Option (right to buy)</td>
<td>$5</td>
<td>01/21/2004</td>
<td>M</td>
<td>8,182</td>
<td>01/01/2003 to 12/31/2009</td>
<td>Class A Common</td>
<td>8,182</td>
<td>$0</td>
<td>790,181</td>
</tr>
</tbody>
</table>

Explanation of Responses:
1. The sales reported in this Form 4 were effected pursuant to a Rule 10b-5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 1/1/00 under the Issuer’s Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5.00. 1.0416% of the options from each of (a), (b), and (c) vested each month commencing 1/1/00. Following the Company’s July 2002 IPC, vesting accelerated to 2.0832% per month.

Michael C. Wood 01/22/2004
** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.
Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

Created by 10KWizard Technology www.10KWizard.com
Ex. 29(cc)
1. Name and Address of Reporting Person
   WOOD MICHAEL C
   [Last] (First) (Middle)
   6401 HOLLIS STREET, SUITE 150
   [Street] [City] [State] [Zip]

2. Issuer Name and Ticker or Trading Symbol
   LEAPFROG ENTERPRISES INC [LF]

3. Date of Earliest Transaction (Month/Day/Year)
   01/28/2004

4. If Amendment, Date of Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
   (Check all applicable)
   X Director
   X Officer (give title below)
   X 10% Owner
   CEO, President, Vice Chairman

6. Individual or Joint/Group Filing (Check Applicable Line)
   X Form filed by One Reporting Person
   Form filed by More than One Reporting Person

Table 1 - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Code</th>
<th>V</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>01/28/2004</td>
<td>M</td>
<td>8,236</td>
<td>A</td>
<td>$5</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/29/2004</td>
<td>S(1)</td>
<td>8,236</td>
<td>D</td>
<td>$29.92</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/28/2004</td>
<td>S(1)</td>
<td>21,139</td>
<td>D</td>
<td>$29.92</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>01/28/2004</td>
<td>S(1)</td>
<td>271</td>
<td>D</td>
<td>$29.92</td>
</tr>
</tbody>
</table>

(1) By spouse
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Exercisable Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
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<th>11. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonqualified Stock Option (right to buy)</td>
<td>$ 5</td>
<td>01/28/2004</td>
<td>M</td>
<td>8,236</td>
<td>01/01/2003/12/31/2009</td>
<td>Class A Common</td>
<td>8,236</td>
<td>$ 0</td>
<td>781,945</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:
1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 1/1/00 under the Issuer's Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5.00. 1.0416% of the options from each of (a), (b), and (c) vested each month commencing 1-1-00. Following the Company's July 2002 IPO, vesting accelerated to 2.0832% per month.

James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood 01/30/2004
** Signature of Reporting Person Date **

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).


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Created by 10KWizard Technology www.10KWizard.com
Ex. 29(dd)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response 0.5

1. Name and Address of Reporting Person

WOOD MICHAEL C
6401 HOLLIS STREET, SUITE 150
EMERYVILLE CA 94608

2. Issuer Name and Ticker or Trading Symbol

LEAPFROG ENTERPRISES INC [LF]

3. Date of Earliest Transaction (Month/Day/Year)

02/04/2004

4. If Amendment, Date of Original Filed (Month/Day/Year)


5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

X Director

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person

X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Code</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>02/04/2004</td>
<td>M</td>
<td>8,362 A</td>
<td>$ 5</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/04/2004</td>
<td>S(1)</td>
<td>8,362 D</td>
<td>$ 27.09</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/04/2004</td>
<td>S(1)</td>
<td>21,013 D</td>
<td>$ 27.09</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/04/2004</td>
<td>S(1)</td>
<td>271 D</td>
<td>$ 27.09</td>
</tr>
</tbody>
</table>

6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)

7. Nature of Indirect Beneficial Ownership (Instr. 4)

By spouse
Table II – Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>Title of Derivative Security</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Exercisable Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>10. Ownership Form of Derivative Security (Instr. D) or Indirect Beneficial Ownership (Instr. 4)</th>
<th>11. Nature of Indirect Beneficial Ownership</th>
</tr>
</thead>
</table>

Nonqualified Stock Option (right to buy) | $5 | 02/04/2004 | M | 8,362 | 01/01/2000 | Class A Common | 8,362 | $0 | 773,583 | D |

Explanation of Responses:
1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 1,000,000 under the Issuer's Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5.00. 1.0416% of the options from each of (a), (b), and (c) vested each month commencing 1-1-00. Following the Company's July 2002 IPO, vesting accelerated to 2.0832% per month.

Peter M.O. Wong, Attorney-in-Fact on behalf of Michael C. Wood 02/04/2004

**Signature of Reporting Person**

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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Ex. 29(ee)
**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

1. Name and Address of Reporting Person  
WOOD MICHAEL C  
6401 HOLLIS STREET, SUITE 150, EMERYVILLE, CA 94608

2. Issuer Name and Ticker or Trading Symbol  
LEAPFROG ENTERPRISES INC [LF]

3. Date of Earliest Transaction (Month/Day/Year)  
02/11/2004

4. If Amendment, Date of Original Filed (Month/Day/Year)  

5. Relationship of Reporting Person(s) to Issuer  
X Director  
10% Owner  
Chief Vision & Creative Officer

6. Individual or Joint/Group Filing (Check Applicable Line)  
X Form filed by One Reporting Person  
Form filed by More than One Reporting Person

### Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security (Instr. 3)</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Code</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>02/11/2004</td>
<td>M</td>
<td>8,823</td>
<td>$ 5</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/11/2004</td>
<td>S(1)</td>
<td>8,823</td>
<td>$ 27</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/11/2004</td>
<td>S(2)</td>
<td>20,552</td>
<td>$ 27</td>
</tr>
<tr>
<td>Class A Common Stock</td>
<td>02/11/2004</td>
<td>S(1)</td>
<td>271</td>
<td>$ 27</td>
</tr>
</tbody>
</table>

(1) By spouse
<table>
<thead>
<tr>
<th>Title of Derivative Security</th>
<th>Conversion or Exercise Date</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Deemed Execution Date, if any</th>
<th>Transaction Code</th>
<th>Number of Derivative Securities Acquired/Acquired/Discharged</th>
<th>Date Exercisable and Expiration Date (Month/Day/Year)</th>
<th>Title and Amount of Securities Beneficially Owned (Instr. 3 and 4)</th>
<th>Price of Derivative Security (Instr. 5)</th>
<th>Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 6)</th>
<th>Ownership Form of Derivative Security, Direct or Indirect (Instr. 7 and 8)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 9)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonqualified Stock Option</td>
<td>$5</td>
<td>02/11/2004</td>
<td>M</td>
<td>8.823</td>
<td>01/01/2000-12/31/2009</td>
<td>Class A Common</td>
<td>8,823</td>
<td>$0</td>
<td>764,760</td>
<td>D</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Responses:

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.
2. Granted 1/1/00 under the issuer's Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5,004,160. 1/4 of the options from each of (a), (b), and (c) vested each month commencing 1-1-00. Following the Company's July 2002 IPO, vesting accelerated to 2.0832% per month.

James P. Curley, Attorney-in-Fact on behalf of Michael C. Wood
02/13/2004
** Signature of Reporting Person Date **

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Ex. 29(ff)
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP
Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Code</th>
<th>Amount (A) or (D)</th>
<th>Price</th>
<th>Class A Common Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>1,128 A</td>
<td>$5</td>
<td>2,072,130</td>
</tr>
<tr>
<td>S(1)</td>
<td>1,126 D</td>
<td>$27.59</td>
<td>2,071,004</td>
</tr>
<tr>
<td>S(1)</td>
<td>2,025 D</td>
<td>$27.59</td>
<td>2,068,379</td>
</tr>
<tr>
<td>S</td>
<td>7,694 A</td>
<td>$5</td>
<td>2,076,073</td>
</tr>
<tr>
<td>S</td>
<td>7,694 D</td>
<td>$27.59</td>
<td>2,068,379</td>
</tr>
<tr>
<td>S</td>
<td>17,930 D</td>
<td>$27.59</td>
<td>2,050,449</td>
</tr>
<tr>
<td>S(1)</td>
<td>271 D</td>
<td>$27.56</td>
<td>24,031</td>
</tr>
</tbody>
</table>

By spouse
## Table II – Derivative Securities Acquired, Disposed of, or Beneficially Owned

(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title and Amount of Derivative Security</strong></td>
</tr>
<tr>
<td><strong>Date Exercisable and Expiration Date</strong></td>
</tr>
<tr>
<td><strong>Price of Derivative Security</strong></td>
</tr>
<tr>
<td><strong>Ownership Nature</strong></td>
</tr>
<tr>
<td><strong>Derivative Securities For Indirect/Indirect (Instr. 3)</strong></td>
</tr>
<tr>
<td><strong>Transaction Date (Month/Day/Year)</strong></td>
</tr>
<tr>
<td><strong>Conversion or Exercise Price of Derivative Security</strong></td>
</tr>
<tr>
<td><strong>Underlying Securities of Derivative Security</strong></td>
</tr>
<tr>
<td><strong>Owner Following Reported Transaction</strong></td>
</tr>
<tr>
<td><strong>If any Code</strong></td>
</tr>
<tr>
<td><strong>Nonqualified Stock Option (right to buy)</strong></td>
</tr>
<tr>
<td><strong>Nonqualified Stock Option (right to buy)</strong></td>
</tr>
<tr>
<td><strong>Exercise Price</strong></td>
</tr>
<tr>
<td><strong>Number of Derivative Securities Beneficially Owned for Indirect (Instr. 4)</strong></td>
</tr>
<tr>
<td><strong>Number of Derivative Securities Beneficially Owned</strong></td>
</tr>
<tr>
<td><strong>Owner Following Reported Transaction</strong></td>
</tr>
<tr>
<td><strong>If any Code</strong></td>
</tr>
<tr>
<td><strong>Exercisable Date</strong></td>
</tr>
<tr>
<td><strong>Expiration Date</strong></td>
</tr>
<tr>
<td><strong>Class A Common</strong></td>
</tr>
<tr>
<td><strong>Class A Common</strong></td>
</tr>
<tr>
<td><strong>Market Value (Month/Day/Year)</strong></td>
</tr>
<tr>
<td><strong>Class A Common</strong></td>
</tr>
<tr>
<td><strong>Class A Common</strong></td>
</tr>
<tr>
<td><strong>Number of Shares</strong></td>
</tr>
<tr>
<td><strong>Number of Shares</strong></td>
</tr>
<tr>
<td><strong>Number of Shares</strong></td>
</tr>
<tr>
<td><strong>Number of Shares</strong></td>
</tr>
<tr>
<td><strong>Number of Shares</strong></td>
</tr>
</tbody>
</table>

### Explanation of Responses:

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

2. Granted 1/1/00 under the Issuer’s Stock Option Plan at the following exercise prices: (a) 400,000 options were granted at the exercise price of $5.00; (b) 200,000 options were granted at the exercise price of $6.25; and (c) 200,000 options were granted at the exercise price of $7.50. Market value on the date of grant was $5.00. 1.0416% of the options from each of (a), (b), and (c) vested each month commencing 1-1-00. Following the Company’s July 2002 IPO, vesting accelerated to 2.0832% per month.

**Signature of Reporting Person**

**Date**

---

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

*If the form is filed by more than one reporting person, see instruction 4(b)(v).


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Ex. 29(gg)
FORM 4

United States Securities and Exchange Commission
Washington, D.C. 20549

Statement of Changes in Beneficial Ownership

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB Approval

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response: 0.5

1. Name and Address of Reporting Person
   WOOD MICHAEL C
   6401 HOLLIS STREET, SUITE 150
   EMERYVILLE, CA 94608

2. Issuer Name and Ticker or Trading Symbol
   LEAPFROG ENTERPRISES INC (LF)

3. Date of Earliest Transaction (Month/Day/Year)
   02/25/2004

4. If Amendment, Date of Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
   Director
   10% Owner
   Chief Vision & Creative Officer
   Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)
   Form filed by One Reporting Person
   Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>Title of Security</th>
<th>Transaction Date (Month/Day/Year)</th>
<th>Transaction Code (Instr. 3)</th>
<th>Amount (A) or Disposed of (D) (Instr. 4)</th>
<th>Price</th>
<th>Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Common Stock</td>
<td>02/25/2004</td>
<td>S(1)</td>
<td>264</td>
<td>A</td>
<td>$26.7</td>
<td>D</td>
</tr>
</tbody>
</table>

(1) Includes 35,754 shares held as a result of a Restricted Stock Unit award granted by Leapfrog Enterprises, Inc. on January 19, 2004.
Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>1. Title of Derivative Security (Instr. 3)</th>
<th>2. Conversion or Exercise Price of Derivative Security</th>
<th>3. Transaction Date (Month/Day/Year)</th>
<th>3A. Deemed Execution Date, if any (Month/Day/Year)</th>
<th>4. Transaction Code (Instr. 8)</th>
<th>5. Number of Derivative Securities Acquired (A) or Deemed (D) of (Instr. 3, 4, and 5)</th>
<th>6. Date Exercisable and Expiration Date of Derivative Security (Month/Day/Year)</th>
<th>7. Title and Amount of Underlying Securities (Instr. 3 and 4)</th>
<th>8. Price of Derivative Security (Instr. 5)</th>
<th>9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>11. Nature of Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
</table>

**Explanation of Responses:**

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 27, 2002.

**Peter M.O. Wong, Attorney-in-Fact**

on behalf of Michael C. Wood

02/26/2004

Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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EXHIBIT 30
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re APPLIED SIGNAL TECHNOLOGY, INC. SECURITIES LITIGATION

MASTER FILE NO. C 05-1027 SBA
CLASS ACTION
ORDER

[DOCKET NAS 25, 35, 36]

This Document Relates To: All Actions.

This matter comes before the Court on the Motion to Dismiss Plaintiff's Consolidated Amended Class Action Complaint (the "Consolidated Amended Complaint") [Docket No. 35] filed by Defendants Applied Signal Technology, Inc., Gary Yancey, and James Doyle (collectively "Defendants") and Plaintiff's Motion for Class Certification [Docket No. 25]. Having read and considered the papers presented by the parties, the Court finds this matter appropriate for disposition without a hearing. The Court hereby GRANTS Defendants' Motion to Dismiss [Docket No. 35] and DISMISSES Plaintiff's Consolidated Amended Class Action Complaint WITH PREJUDICE. Accordingly, the Court DENIES Plaintiff's Motion for Class Certification [Docket No. 25] AS MOOT.

BACKGROUND

A. Background Regarding the Parties

1. Applied Signal Technology, Inc.

Defendant Applied Signal Technology, Inc. ("Applied Signal" or the "Company") is a California corporation and a publicly traded company with over 11 million shares of stock outstanding. CAC1 at ¶ 15. The Company's financial year is not concurrent with the calendar year. Instead, it ends on the last

1The Consolidated Amended Complaint is referred to herein as "CAC."
day of October of each calendar year and commences on the first day of November for that calendar year. See Harris-Sutton Decl. at Ex. H (FY04 Form 10-K).2

Applied Signal's corporate headquarters are located in Sunnyvale, California. CAC at ¶¶ 7, 23-24; Harris-Sutton Decl. at Ex. H. The Company also maintains engineering offices in Annapolis Junction, Maryland; Salt Lake City, Utah; Herndon, Virginia; and Hillsboro, Oregon. Harris-Sutton Decl. at Ex. H. As of January 24, 2004, the Company had 425 employees. CAC at ¶¶ 27, 38(a). This number increased to 450 in February 2004, and to 480 employees in May 2004. Id. As of December 17, 2004, the Company had a total of 498 employees. Harris-Sutton Decl. at Ex. H. Of these 498 employees, 290 employees worked within the Company's engineering organizations. Id.

Applied Signal is in the business of supplying various United States government agencies with customized communications signal processing systems, which it designs, develops, and installs. CAC at ¶ 27. Since 1984, the United States government and various governmental agencies have accounted for almost all of the Company's revenues. Id. Although the government agencies are the Company's primary customer, purchases occur in two ways: (1) contracts directly with the government, and (2) subcontracts to prime contractors. See Harris-Sutton Decl. at Ex. H. Within the Company's primary customer agencies, the Company has contracts with approximately twenty different offices, each with separate budgets and contracting authority. Id.

In the past two fiscal years, just under three quarters of the Company's contracts were "cost reimbursement" contracts, including contracts for the design, installation, and/or servicing of customized products. CAC at ¶ 25. Under these contracts, the Company is reimbursed for direct and indirect costs and paid a negotiated profit. Id. However, the Company is not entitled to payment until after its employees provide the services delineated in the contract. Id. Further, most of the Company's contracts contain a provision that allows the Company's customers to force Applied Signal to stop work on all or

---

2For example, for fiscal year 2004, the first quarter consisted of the months of November 2003, December 2003, and January 2004; the second quarter consisted of the months of February 2004, March 2004, and April 2004; the third quarter consisted of the months of May 2004, June 2004, and July 2004; and the fourth quarter consisted of the months of August 2004, September 2004, and October 2004.
any part of a contract at any time through what is referred to as a "stop-work order" ("SWO"). *Id.*

The federal regulations governing stop-work orders further describe the applicable process as thus:

(a) The Contracting Officer may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this contract for a period of [up to] 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either —

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of the Government, clause of this contract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. The Contracting Officer shall make an equitable adjustment in the delivery schedule or contract price, or both, and the contract shall be modified, in writing, accordingly, if —

(1) The stop-work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon a proposal submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

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³Revisions to the regulations provide that the 90-day period may be reduced to less than 90 days. See 48 C.F.R. 52.242-15.
If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

48 C.F.R. 52.242-15. Thus, when a SWO is issued, it is possible, but not necessarily definite, that future revenues may be affected. *Id.*; CAC at ¶ 26.

As such, the Company does not recognize revenue on its cost-reimbursement contracts until costs – including labor, materials, and other direct costs and estimated direct costs – are incurred. CAC at ¶ 26. The Company refers to future revenues relating to uncompleted portions of existing contracts as its "backlog." *Id.* The Company's backlog is discussed in Company press releases, conference calls, and formal Securities Exchange Commission ("SEC") filings. *Id.* However, in each of the Company's public filings, with respect to future revenues, and other contingent events, the investing public is expressly warned that any statements regarding future events are "not guarantees of future performance and are subject to certain risks." See Harris-Sutton Decl. at Ex. A (FY03 Form 10-K). For example, the Form 10-K for Fiscal Year 2003 states the following:

This Annual Report on Form 10-K contains forward-looking statements made pursuant to the provisions of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based on management's current expectations and beliefs, including estimates and projections about our industry. Forward-looking statements may be identified by the use of terms such as "anticipates," "expects," "intends," "plans," "seeks," "estimates," "believes," and similar expressions, although some forward-looking statements are expressed differently. Statements concerning financial position, business strategy and plans or objectives for future operations are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict and may cause actual results to differ materially from management’s current expectations. Such risks and uncertainties include those set forth herein under "Summary of Business Considerations and Certain Factors that May Affect Future Operating Results and/or Stock Price" and "Management’s Discussion and Analysis of Financial Condition and Results of Operations." The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect management's outlook at any other point in time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or for any other reason. However, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission (SEC) after the date of the Annual Report. These SEC filings, as well as our latest annual report, can
be obtained through our website at www.appsig.com. In addition, hard copies can be obtained free of charge through our investor relations department.

Id. (emphasis added).

Further, the Company provides the following explanation regarding its backlog to the investing public:

Our backlog . . . consists of anticipated revenues from the uncompleted portions of existing contracts[. . .]. Anticipated revenues included in backlog may be realized over a multi-year period. We include a contract in backlog when the contract is signed by us and by our customer. We believe the backlog figures are firm, subject only to the cancellation and modification provisions contained in our contracts. (See Item 7: "Management’s Discussion and Analysis of Financial Condition and Results of Operations–Backlog.") Because of possible future changes in delivery schedules and cancellations of orders, backlog at any particular date is not necessarily representative of actual sales to be expected for any succeeding period, and actual sales for the year may not meet or exceed the backlog represented. We may experience significant contract cancellations that were previously booked and included in backlog.

Id. (emphasis added).

2. The Individual Defendants

At all times relevant to this action, defendant Gary Yancey ("Yancey") was the Chairman, President, and Chief Executive Officer ("CEO") of Applied Signal. CAC at ¶ 8. As the CEO, Yancey signed and certified all SEC quarterly and annual reports. Id. Additionally, he owned shares of the Company's stock; although, during the period between January 3, 2005 and January 18, 2005, he sold over forty percent of his holdings. Id. Also during this period of time, defendant James Doyle ("Doyle") was the Company's Chief Financial Officer ("CFO") and Vice President of Finance. Id. at ¶ 9. As the CFO, Doyle participated in quarterly earnings report conference calls for the quarters ending in July and October 2004 and January and April 2005. Id. Doyle also signed and certified all SEC quarterly and annual reports. Id.

3. Plaintiffs

Lead Plaintiff Frank Whiting ("Plaintiff"), is a common stock purchaser who purchased shares of Applied Signal during the relevant time period, August 24, 2004 and February 22, 2005 (the "Class
B. Background Regarding the Confidential Witnesses

The allegations contained in the Consolidated Amended Complaint are based, in part, on certain information obtained from the following Confidential Witnesses:

(a) Confidential Witness No. 1. Confidential Witness No. 1 ("CW1") was employed as a software engineer during the beginning of the Class Period up until November, 2004. Id. at ¶ 22(a). He worked in Applied Signal's Annapolis Junction, Maryland Office. Id. His duties included system and process design, implementation, testing, life cycle documentation, design and code review, team tasking, and scheduling. Id.

(b) Confidential Witness No. 2. Confidential Witness No. 2 ("CW2") was employed as a software engineer in Applied Signal's Maryland office until some months before the beginning of the Class Period. Id. at ¶ 22(b).

(c) Confidential Witness No. 3. Confidential Witness No. 3 ("CW3") was employed as a software engineer at Applied Signal's Utah office from well before the Class Period until January 2005. Id. at ¶ 22(c). CW3's duties included the design and implementation of software.

(d) Confidential Witness No. 4. Confidential Witness No. 4 ("CW4") was employed as a technical editor at Applied Signal's Sunnyvale office from before the beginning of the Class Period until November 2004. Id. at ¶ 22(d). He was responsible for editing and proofreading technical manuals, proposals, presentations, brochures, newsletters, and other technical and marketing material. Id. He was also responsible for creating processes and flowcharts for the Finance Department in accordance with Sarbanes-Oxley requirements. Id.

C. The Factual Allegations

This action is premised on Plaintiff's theory that Applied Signal and two of its individual officers, Yancey and Doyle, (collectively, "Defendants"), knowingly issued a series of false and misleading statements regarding Applied Signal in order to artificially inflate Applied Signal's stock price throughout the Class Period. In particular, the Consolidated Amended Complaint is premised on certain representations Defendants made regarding the Company's "backlog" and certain SWOs that
were purportedly received by the Company during the relevant period. The Consolidated Amended Complaint is also premised on certain statements made by the Company concerning the hiring of personnel. The pertinent facts are set forth below.

1. The Third Quarter of Fiscal Year 2004

Applied Signal's third quarter for fiscal year 2004 ("FY04") commenced on May 1, 2004. During that quarter, at some point in June 2004, Applied Signal received a stop-work order ("SWO1"), which instructed the Company to stop work on a portion of the Company's largest single contract. CAC at ¶ 29(a). In accordance with the instructions provided by the customer, the Company prepared a proposal that detailed the tasks that were stopped and estimated the reduction in contract costs. Id.

Also in June 2004 or possibly in May 2004, according to CW1, the Wireless Communications System Division of Applied Signal received another stop-work order ("SWO2") on a project for the United States military that was referred to as "Cowbird." Id. at ¶ 30. CW1 knew about SWO2 because it required employees at the Company's Maryland facility, where he worked, to stop performing services for the government agency related to the contract. Id. at ¶¶ 22(a), 30(b). According to CW2, who worked at Applied Signal up until a few months before August 2004, the contract implicated by SWO2 was worth about $8 million. Id. at ¶¶ 22(b), 30(b).

On August 24, 2004, Applied Signal issued a press release and hosted a conference call ("August Conference Call") to discuss financial results for the third quarter of FY04. CAC at ¶ 28. Yancey and Doyle represented the Company during the August Conference Call. Id. In the course of that call, Doyle reported that the Company's backlog was approximately $111 million. Id.

Additionally, in the August 24, 2004 press release ("August 2004 Press Release"), Yancey was quoted as saying that he was "pleased" that Applied Signal had "met the challenge" of meeting "aggressive hiring requirements." Id. at ¶ 39. During the August Conference Call, he also stated that

4Specifically, the following four SWOs are relevant to the instant discussion: (1) a June 2004 SWO ("SWO1"), (2) a May or June 2004 SWO ("SWO2"), (3) an August or September 2004 SWO ("SWO3"), and (4) a December 2004 SWO ("SWO4"). CAC at ¶¶ 29, 30, 35.

5Defendants did not discuss SWO1 or SWO2 during the call. CAC at ¶ 29.
the Company had "been able to stay up with a fairly aggressive growth requirement, and in particular, hiring of staff and staff that we can get cleared . . . ." Id. at ¶ 39. In response to an inquiry from an analyst regarding the amount of engineers that had been added during the third quarter, Doyle stated that they had hired about 100 people "year-to-date" and approximately 30 people during the third quarter. Id. Yancey then stated that the number for the quarter might be lower – possibly as low as twenty – but that analysts could "go ahead and use 30 . . . and kind of assume we've been close to linear in our increase." Id.

On September 9, 2004, Defendants filed a Form 10-Q ("Third Quarter Form 10-Q") with the SEC, which reported the $111 million backlog amount that was disclosed during the August 2004 Conference Call. Id. at ¶ 29(a). The Third Quarter Form 10-Q also reported that the Company had received SWO1 and that, pursuant to SWO1, the Company was instructed to stop work on a portion of its largest single contract. Id. Additionally, the report stated that "new orders and backlog [were] expected to be reduced by approximately $11 to $13 million" after the completion of negotiations relating to SWO1 and that the Company "anticipate[d] the completion of these negotiations during the first or second quarter of fiscal 2005."6 Id.

2. The Fourth Quarter of Fiscal Year 2004 and Disclosures Concerning the Third Quarter of Fiscal Year 2004

According to CW3, who was employed as a software engineer at Applied Signal's Utah office at the time, the Company also received another stop-work order ("SWO3") in August or September 2004. Id. at ¶¶ 22(c), 35(b). SWO3 was purportedly related to a contract with one of the Company's largest customers that was worth more than $20 million. Id. at ¶ 35(b). CW3 was aware of SWO3 because he had been working on the project, which was known as "Excelsior." Id. at ¶ 35(b). SWO3 affected the Multichannel Systems Division ("MSD") at the Utah facility, as well as the MSD group in the Company's Sunnyvale, California facility. Id. At the Sunnyvale facility, approximately 50 to 75 workers were involved in the project. Id. CW4, who was employed as a technical editor at Applied

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6The Third Quarter Form 10-Q did not mention SWO2. CAC at ¶ 30. In fact, to date, SWO2 has not been mentioned in any Company public filings. Id. at ¶ 32.
Signal's Sunnyvale office during August and September 2004, was aware of SWO3. *Id.* at ¶¶ 22(d), 35(b). According to CW3, after the Company received SWO3, work on "Excelsior" stopped for approximately one week. *Id.* at ¶ 43. The MSD project then resumed working on the project for the remainder of the calendar year. *Id.* The project was abandoned in January 2005, leaving the Sunnyvale office a "ghost town." *Id.*

On September 13, 2004, following the issuance of the Third Quarter Form 10-Q, a securities analyst covering Applied Signal's stock informed investors that he was changing the rating of the Company's stock from "buy" to "neutral." *Id.* at ¶ 31. The price of Applied Signal's stock dropped from $37.64, when the market opened, to $31.78 at the close of market on September 15, 2004. *Id.*

3. The First Quarter of Fiscal Year 2005 and Disclosures Regarding Fiscal Year 2004

According to CW3, the software engineer who worked in the Company's Utah office during this time, the Company also received a stop-work order in December 2004 ("SWO4"). *Id.* at ¶¶ 22(c), 35(c). SWO4 involved a government agency that had cancelled other large contracts with Applied Signal in the past. *Id.* at ¶ 35(c).

On December 21, 2004, Applied Signal issued a press release (the December 2004 Press Release") and hosted a conference call ("December 2004 Conference Call") to discuss financial results for the fourth quarter of FY04. CAC at ¶ 33. Yancey and Doyle represented the Company during the December Conference Call and reported that the backlog for the fourth quarter was $143 million. *Id.* The December 2004 Press Release reported that the Company earned 21 cents per share during the fourth quarter of FY04, which was below the analysts' consensus estimate of 29 cents per share. *Id.* at ¶ 42. Defendants did not mention SWO2, SWO3 or SWO4 during the call or in the press release. *Id.* at ¶ 35(a)-(c).

Additionally, Doyle reported, during the December 2004 Conference Call, that the Company had added a "net" of 20 employees during the fourth quarter of FY04. *Id.* at ¶ 40(a). Doyle then stated that the Company had "about" 500 employees. *Id.* at ¶ 40(a). According to the Form 10-K for FY04, the exact number was 498 employees. *Id.*
The December 2004 Press Release also disclosed that revenue had only increased by 3% since the previous quarter. \textit{Id.} During the December Conference Call, an analyst, Jay Meier ("Meier"), asked whether anything unusual had occurred during the fourth quarter since the Company had not experienced its usual increase in revenues. \textit{Id.} at ¶ 42. Doyle and Yancey responded that Meier was reading too much into the numbers and that nothing unusual had occurred. \textit{Id.} After the December 2004 Conference Call, the price of the Company's stock declined from $37.22 on December 21, 2004 to $35.74 at the market's close on December 22, 2004. \textit{Id.}

Beginning on January 3, 2005, and continuing through January 18, 2005, during an open trading window, Yancey sold 141,400 shares of Company stock, which represented 43% of his total stock holdings, at prices ranging from $31.40 to $34 per share. \textit{Id.} at ¶ 48.

On January 14, 2005, Defendants filed a its Form 10-K for FY04. CAC at ¶ 34. The Form 10-K indicated that the backlog at the end of FY04 was $143 million but that the $143 million could be reduced by $11 million to $13 million in future quarters once negotiations relating to SWO1 concluded. \textit{See} Harris-Sutton Decl. at Ex. H.

On February 22, 2005, the Company issued a press release (the "February 2005 Press Release") and hosted a conference call (the "February 2005 Conference Call") concerning the Company's financial results for the first quarter of FY05, which ended on January 31, 2005. CAC at ¶ 44. During the February 2005 Conference Call, the Company reported that revenue declined almost 25% from the preceding quarter, with net income and earnings per share declining as well. \textit{Id.} To explain these financial results, Yancey stated:

\begin{quote}
[W]e are a bit behind on execution on our contracts. Part of this is for a bit of healthy reason. We've seen higher-than-anticipated proposal activity in the first quarter, which has diverted some of our labor resources to proposal activity. The other phenomena that we're experiencing is, as we become more an integrating contractor on some of our programs, as we've stated before we are evolving to, we find that invoicing from our subcontractors can have some impact on the revenue. And we saw that some of the invoicing was lagging behind a bit compared to the work that they were putting in. So we feel that we will be back on our track of our projected revenue as we build up our own staff and as the invoicing comes about.
\end{quote}
Although this SEC filing was not provided to the Court by the parties, since the Consolidated Amended Complaint necessarily relies on it, the Court has taken judicial notice of it pursuant to Federal Rule of Evidence 201. See Branch v. Tunnell, 14 F.3d 449, 454 (9th Cir. 1994); Steckman v. Hart Brewing, Inc. 143 F.3d 1293, 1295 (9th Cir. 1998).
when the Company announced its operating results for the first quarter of FY05 on February 22, 2005.

On April 19, 2005, plaintiff Shalomah Sameyah ("Sameyah") filed a complaint in this district on behalf of himself and on behalf of all persons who purchased the securities of Applied Signal between May 25, 2004 and February 22, 2005 (the "Sameyah complaint"). With the exception of the name of the plaintiff, the Sameyah complaint – which was drafted by the same counsel representing Berson – was identical to the Berson complaint.

On May 10, 2005, this Court ordered that the Berson case and the Sameyah case be deemed related.

On May 10, 2005, plaintiff Frank Whiting filed a Motion for Appointment of Lead Plaintiff and Approval of Lead Plaintiff's Selection of Counsel ("Motion for Appointment of Lead Plaintiff").

On July 1, 2005, Defendants submitted a Statement of Non-Opposition to the Motion for Appointment of Lead Plaintiff. Defendants also requested that the Berson case and Sameyah case be consolidated by order of this Court pursuant to Federal Rule of Civil Procedure 42(a).

On July 13, 2005, the Court consolidated the Berson and Sameyah cases. Also on that date, the Court granted the Motion for Appointment of Lead Plaintiff. Accordingly, Frank Whiting was appointed to serve as Lead Plaintiff. Plaintiff's choice of counsel was also approved.

On August 12, 2005, the instant Consolidated Amended Complaint was filed. In the Consolidated Amended Complaint, Plaintiff asserts that defendants Applied Signal, Yancey, and Doyle ("Defendants") made untrue statements of material fact and/or omitted statements of material fact in violation of Section 10(b) of the Exchange Act and Rule 10b-5. Plaintiff also contends that Yancey and Doyle directly or indirectly influenced and controlled the alleged fraudulent conduct of Applied Signal, and, therefore, are also liable under Section 20(a) of the Exchange Act. Unlike the prior Berson and Sameyah complaints, the proposed class period for the Consolidated Amended Complaint is August 24, 2004 through February 22, 2005. The Consolidated Amended Complaint also differs from the prior complaints in that it now alleges that Defendants' statements regarding the Company's backlog were materially false and misleading because they failed to mention certain stop-work orders purportedly
LEGAL STANDARD

A. Federal Rule of Civil Procedure 12(b)(6)

Under Federal Rule of Civil Procedure 12(b)(6), a motion to dismiss should be granted if it appears beyond a doubt that the plaintiff "can prove no set of facts in support of his claim which would entitle him to relief." Conley v. Gibson, 355 U.S. 41, 45-46 (1957). For purposes of such a motion, the complaint is construed in a light most favorable to the plaintiff and all properly pleaded factual allegations are taken as true. Jenkins v. McKeithen, 395 U.S. 411, 421 (1969); Everest and Jennings, Inc. v. American Motorists Ins. Co., 23 F.3d 226, 228 (9th Cir. 1994). All reasonable inferences are to be drawn in favor of the plaintiff. In re Silicon Graphics Inc. Sec. Litig., 183 F.3d 970, 983 (9th Cir. 1999). The court does not accept as true unreasonable inferences or conclusory legal allegations cast in the form of factual allegations. Western Mining Council v. Watt, 643 F.2d 618, 624 (9th Cir. 1981); see Miranda v. Clark County, Nev., 279 F.3d 1102, 1106 (9th Cir. 2002).

Although the court is generally confined to consideration of the allegations in the pleadings, when the complaint incorporates documents or alleges the contents of documents, and no party questions the authenticity of such documents, a court may also consider such documents when evaluating the merits of a Rule 12(b)(6) motion. See In re Stac Electronics Sec. Litig., 89 F.3d 1399, 1405 (9th Cir. 1996).

When the complaint is dismissed for failure to state a claim, "leave to amend should be granted unless the court determines that the allegation of other facts consistent with the challenged pleading could not possibly cure the deficiency." Schreiber Distrib. Co. v. Serv-Well Furniture Co., 806 F.2d 1393, 1401 (9th Cir. 1986). The Court should consider factors such as "the presence or absence of undue delay, bad faith, dilatory motive, repeated failure to cure deficiencies by previous amendments, undue prejudice to the opposing party and futility of the proposed amendment." Moore v. Kayport Package Express, 885 F.2d 531, 538 (9th Cir. 1989). Of these factors, prejudice to the opposing party is the most important. See Jackson v. Bank of Hawaii, 902 F.2d 1385, 1387 (9th Cir. 1990) (citing Zenith Radio

B. Federal Rule of Civil Procedure 9(b)

Federal Rule of Civil Procedure 9(b) provides as follows:

In all averments of fraud or mistake, the circumstances constituting fraud or mistake shall be stated with particularity. Malice, intent, knowledge, and other condition of mind of a person may be averred generally.


"[The Ninth Circuit] has interpreted Rule 9(b) to require that 'allegations of fraud are specific enough to give defendants notice of the particular misconduct which is alleged to constitute the fraud charged so that they can defend against the charge and not just deny that they have done anything wrong.' Neubronner v. Milken, 6 F.3d 666, 671 (9th Cir. 1993) (quoting Semegen v. Weidner, 780 F.2d 727, 731 (9th Cir. 1985)). "The pleader must state the time, place, and specific content of the false representations as well as the identities of the parties to the misrepresentation." Schreiber Distributing Co. v. Serv-Well Furniture Co., 806 F.2d 1393, 1401 (9th Cir. 1986) (citing Semegen, 780 F.2d at 731).

C. Pleading Requirements in Securities Fraud Actions

Section 10(b) of the Exchange Act makes it unlawful "for any person . . . to use or employ, in connection with the purchase or sale of any security . . . any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe[.]" 15 U.S.C. § 78j(b).

Rule 10b-5, promulgated under the authority of Section 10(b), in turn, provides that "[i]t shall be unlawful for any person . . . (a) To employ any device, scheme, or artifice to defraud, (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security." 17 C.F.R. § 240.10b-5. Thus,
the basic elements of a Rule 10b-5 claim are: (1) a material misrepresentation or omission of fact, (2) scienter, (3) a connection with the purchase or sale of a security, (4) transaction and loss causation, and (5) economic loss. In re Daou Systems, Inc. 411 F.3d 1006, 1014 (9th Cir. 2005).

In order to survive a motion to dismiss, a Section 10(b) claim must satisfy three pleading standards. First, it must meet the general requirements established by Federal Rule of Civil Procedure 8(a) that complaints give a short and plain statement of the claim. Second, it must conform with the particularity requirements of Rule 9(b). Neubronner v. Milken, 6 F.3d 666, 671 (9th Cir. 1993) (quoting Semegen, 780 F.2d at 731). Third, it must satisfy the requirements of the Private Securities Litigation Reform Act ("PSLRA").

The PSLRA employs heightened pleading standards for claims brought under Section 10(b) and, similar to Rule 9(b), requires pleading with particularity for two elements in a Section 10(b) claim: (1) falsity and (2) scienter. See Gompper v. VISX, Inc., 298 F.3d 893, 895 (9th Cir. 2002) (citing Ronconi v. Larkin, 253 F.3d 423, 429 (9th Cir. 2001)). "If a plaintiff fails to plead either the alleged misleading statements or scienter with particularity, the court must dismiss the complaint." Carol Gamble Trust 86 v. E-Rex, Inc., 84 Fed.Appx. 975, 977 (9th Cir. 2004).

Thus, under both the PSLRA and Rule 9(b), a plaintiff must specify each statement alleged to have been misleading and the specific reason or reasons why such statement is misleading. See 15 U.S.C. § 78u-4(b)(1); Fed. R. Civ. P. 9(b). This is accomplished by identifying either (1) inconsistent contemporaneous statements; or (2) inconsistent contemporaneous information (such as an internal document) that was made by or available to the defendants. In re Splash Technology Holdings, Inc. Sec. Litig., 2000 WL 1727377, *13 (N.D. Cal. 1997); see also Nursing Home Pension Fund, Local 144 v. Oracle Corp., 380 F.3d 1226, 1230 (9th Cir. 2004). "A plaintiff may satisfy [Rule 9(b)] through reliance upon a presumption that the allegedly false and misleading 'group published information' complained of is the collective action of officers and directors." In re GlenFed, Inc. Sec. Litig., 60 F.3d 591, 593 (9th Cir. 1995). In cases where the falsities are conveyed in "group-published information," for example, in press releases and annual reports, "it is reasonable to presume that these are the collective actions of
the officers." *Id.* In such a case, a plaintiff satisfies Rule 9(b) "by pleading the misrepresentations with particularity and where possible the roles of the individual defendants in the misrepresentations." *Id.*; see also *In re Cornerstone Propane Partners, L.P. Sec. Litig.*, 2005 U.S. Dist. LEXIS 21469 (N.D. Cal. 2005).

The "recent trend among the Ninth Circuit district courts is that plaintiffs must state with particularity facts indicating that an individual defendant was directly involved in the preparation of allegedly misleading statements published by an organization." *Cornerstone*, 2005 U.S. Dist. LEXIS at *21; see also *In re ESS Tech., Inc. Sec. Litig.*, 2004 U.S. Dist. LEXIS 27203 (N.D. Cal. 2004). However, "where the pleading gives some basis for ascribing knowledge, participation or authorship, and/or control of the published information to an individual defendant" the doctrine may be applied. *Cornerstone*, 2005 U.S. Dist. LEXIS at *22.

When dealing with allegations based on information and belief, and not plaintiff's personal knowledge, the PSLRA imposes further pleading requirements. "Allegations are deemed to be held on information and belief, and thus subject to the particularity requirements, unless plaintiffs have personal knowledge of the facts." *Cornerstone*, 2005 U.S. Dist. LEXIS at *8 (citing *In re Vantive Corp. Sec. Litig.*, 283 F.3d 1079, 1085 n.3 (9th Cir. 2002)). Any allegation that is made on information and belief, must "state with particularity all facts on which that belief is formed." 15 U.S.C. § 78u-4(b)(1). "Naming sources is unnecessary so long as the sources are described with sufficient particularity to support the probability that a person in the position occupied by the source would possess the information alleged and the complaint contains adequate corroborating details." *Daou*, 411 F.3d at 1015 (citing *Nursing Home*, 380 F.3d at 1233). Therefore, to sufficiently plead falsity, a plaintiff must: (1) identify each alleged misstatement, and in the case of group published information, ascribe some authorship or control over the documents to the individual defendants; (2) state the reasons why the statement is misleading; and (3) in the case of confidential source information, supply an adequate factual basis to support the source's basis of knowledge with regard to the information provided. See 15 U.S.C. § 78u-4(b)(1).

With respect to scienter, the PSLRA also requires that the plaintiff "state with particularity facts
giving rise to a strong inference that the defendant[s] acted with the required state of mind" for each alleged act or omission. 15 U.S.C. § 78u-4(b)(2). "Deliberate recklessness" is the required state of mind and will satisfy scienter if it "reflects some degree of intentional or conscious misconduct." *Nursing Home*, 380 F.3d at 1230 (citing *Silicon Graphics*, 183 F.3d at 977). A complaint will not survive if it just relies on generic allegations. *See Silicon Graphics*, 183 F.3d at 974, 985. To assess whether a plaintiff has sufficiently pled scienter, a court must consider "whether the total of plaintiff's allegations, even though individually lacking, are sufficient to create a strong inference that defendants acted with deliberate or conscious recklessness." *Nursing Home*, 380 F.3d at 1230. Additionally, a court must consider "all reasonable inferences, whether or not favorable to the plaintiff." *Id.* (citing *Gompper*, 298 F.3d at 897).

**ANALYSIS**

I. **Defendants' Request for Judicial Notice**

As a preliminary matter, the Court notes that Defendants have requested that the Court take judicial notice of the following documents, each of which is attached to the accompanying Declaration of Tiffany Harris-Sutton ("Harris-Sutton Declaration"):

(1) Applied Signal's Form 10-K for FY03, filed on January 27, 2004;
(2) Applied Signal's Form 10-Q for the second quarter of FY04, filed June 9, 2004;
(3) Applied Signal's Form 10-Q for the third quarter of FY04, filed on September 9, 2004;
(4) Applied Signal's Form 10-K for FY04, filed on January 14, 2005;
(5) Applied Signal's Form 8-K, filed on August 26, 2004;
(6) Applied Signal's Form 8-K, filed on December 23, 2004;
(7) A chart listing the closing stock prices of Applied Signal during the Class Period;

Pursuant to Federal Rule of Evidence Rule 201, documents that are alleged in a complaint and are essential to plaintiff's allegations may be judicially noticed. *See Branch v. Tunnell*, 14 F.3d 449, 454 (9th Cir. 1994); *Steckman v. Hart Brewing, Inc.* 143 F.3d 1293, 1295 (9th Cir. 1998). A court may also

Since Plaintiff does not oppose the taking of judicial notice of any of these documents, and since judicial notice is proper, the Court hereby GRANTS Defendants' Request for Judicial Notice [Docket No. 36].

II. Defendants' Motion to Dismiss

In Defendants' Motion to Dismiss, Defendants argue that Plaintiff's Consolidated Amended Complaint must be dismissed because: (1) the PSLRA's safe harbor provision precludes liability for any of the purportedly false or misleading statements related to the Company's backlog; and (2) Plaintiff has not stated, and cannot state, a cause of action under Section 10(b) of the Exchange Act or Rule 10b-5 for any of the allegedly false or misleading statements because the elements of falsity, scienter, and loss causation are not supported by Plaintiff's allegations. Since Defendants assert that no liability can be established under Section 10(b) and Rule 10b-5, Defendants also argue that the Section 20(a) claim against Yancey and Doyle must be dismissed.

A. The Safe Harbor Provision

The first issue that must be addressed is whether the allegedly false and misleading statements concerning the Company's backlog are rendered non-actionable because they are forward-looking statements falling within the PSLRA's safe harbor provision. The PSLRA carves out a safe harbor from liability for forward-looking statements that prove false if the statement "is identified as a forward-looking statement and is accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statement." 15 U.S.C. § 78u-5(c)(1)(A)(i); *Harris v. Ivax Corp.*, 182 F.3d 799, 803 (11th Cir.1999). The purpose behind this safe harbor is to encourage the disclosure of forward-looking information. *See* H.R.
Conf. Rep. No. 104-369, 104th Cong. 1st Sess., at 53 (1995). Whether a statement qualifies for the safe harbor is an appropriate inquiry on a motion to dismiss. So long as the safe harbor requirements are met, liability cannot exist as a matter of law, regardless of the mind of the person making the statement. 

*Employers Teamsters Local Nos. 175 and 505 Pension Trust Fund v. Clorox*, 353 F.3d 1125, 1133 (9th Cir. 2004).

Forward-looking statements include statements containing a projection of revenues, income, or earnings per share, management's plans or objectives for future operations, or a prediction of future economic performance. 15 U.S.C. § 78u-5(i)(1)(A)-(C). In addition, any statement of "the assumptions underlying or relating to" these sorts of statements fall within the meaning of a forward-looking statement. 15 U.S.C. § 78u-5(i)(1)(D). A present-tense statement can qualify as a forward-looking statement as long as the truth or falsity of the statement cannot be discerned until some point in time after the statement is made. *See Harris*, 182 F.3d at 805. Statements concerning historical or current facts are not forward-looking. *See Gross v. Medaphis Corp.*, 977 F. Supp. 1463, 1473 (N.D. Ga.1997); *In re Valujet, Inc. Sec. Litig.*, 984 F.Supp. 1472, 1479 (N.D. Ga. 1997).

With respect to statements regarding backlog, only four purportedly false and misleading statements are identified: (1) that the backlog as of the third quarter of FY04 was "[a]pproximately 11 million," made during the August 2004 Conference Call; (2) that the backlog at the end of the fourth quarter was about $143 million, made during the December 2004 Conference Call; (3) that the backlog at the end of the fourth quarter was $143 million, set forth in the December 2004 Press Release; and (4) that the backlog at fiscal year-end was $143 million, set forth in the FY04 Form 10-K.

The Court finds that each of these statements is a forward-looking statement that was accompanied by the appropriate cautionary language. Specifically, for both the August 2004 Conference Call and the December 2004 Conference Call, Doyle stated the following:

I'll review our financial performance, but let me begin with the obligatory safe harbor statement. Our presentation today may contain forward-looking statements which reflect the Company's current judgment on future events. Because these statements deal with future events, they are subject to risks and uncertainties that could cause the actual results to differ materially. In addition to the factors that may be discussed in this call, important factors which could
cause actual results to differ materially are contained in the Company's recent 10-Qs and 10-K.

See Harris-Sutton Decl. at Ex. C (August 24, 2004 Form 8-K); see also id. at Ex. F (December 21, 2004 Form 8-K) (stating same).

The Company's Form 10-Q filing, issued with respect to the previous quarter, provided the following additional cautionary language:

Forward-looking statements may be identified by the use of terms such as "anticipates," "expects," "intends," "plans," "seeks," "estimates," "believes," and similar expressions, although some forward-looking statements are expressed differently. Statements concerning financial position, business strategy, and plans or objectives for future operations are forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties, and assumptions that are difficult to predict and may cause actual results to differ materially from management's current expectations. Such risks and uncertainties include those set forth in this document under "Summary of Business Considerations and Certain Factors that May Affect Future Operating Results and/or Stock Price." The forward-looking statements in this report speak only as of the time they are made and do not necessarily reflect management's outlook at any other point in time. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or for any other reason. However, readers should carefully review the risk factors set forth in other reports or documents we file from time to time with the Securities and Exchange Commission (SEC).

See Harris-Sutton Decl. at Ex. B. 8

In the section entitled "Summary of Business Considerations and Certain Factors that May Affect Future Operating Results and/or Stock Price," the Company also noted that Applied Signal "depend[s] on revenues from a few significant contracts, and any loss, cancellation, reduction, or delay in these contracts could harm our business." Id.

Additionally, the Form 10-Q for the third quarter of FY04, which was filed on September 9, 2004, specifically stated:

Stop-work orders could negatively impact our operating results and financial condition. Almost all of our contracts contain stop-work clauses that permit the other contracting party, at any time, by written order, to stop work on all or any part of the work called for by the contract for a period of ninety days. Within the ninety-day period, the other contracting party may cancel the

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8This same language was set forth in the FY04 Form 10-K. See id. at Ex. H.
stop-work order and resume work or terminate all or part of the work covered by the stop-work order. During June 2004, we received a stop-work order instructing us to stop work on a portion of our largest single contract. In accordance with the instructions received from the other contracting party, we prepared a proposal that detailed the tasks that were stopped and estimated the reduction in contract costs. If all the stopped tasks are terminated, the result could be a significant reduction in orders and backlog in the period in which it occurs. There can be no assurance that stop-work orders will not be received in future periods.

See Harris-Sutton Decl. at Ex. E (emphasis in original).

Further, the December 2004 Press Release included the following language:

Except for historical information contained herein, matters discussed in this news release may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially. Forward-looking statements discussed in this release include statements as to the Company's continued growth throughout the year and into the foreseeable future; the future spending by the U.S. Government on intelligence gathering; the Company's ability to hire qualified personnel and such personnel's ability to obtain security clearances; the Company's plans for the future, including the steps it may take and the programs it will emphasize; the Company's beliefs concerning marketplace opportunities for its products and services; and beliefs concerning contractual opportunities for orders. The risks and uncertainties associated with these statements include whether orders will be issued by procurers, including the U.S. Government; the timing of any orders placed by procurers; whether the Company will be successful in obtaining contracts for these orders if they are forthcoming; whether any contracts obtained by the Company will be profitable and whether any such contracts might be terminated prior to completion; whether the Company will be able to hire additional qualified staff as needed; the ability to successfully enter new marketplaces; the Company's ability to maintain profitability; and other risks detailed from time to time in the Company's SEC reports including its latest Form 10-K filed for the fiscal year ended October 31, 2003. The Company assumes no obligation to update the information provided in this news release.

See id. at Ex. F (December 21, 2004 Form 8-K).

Plaintiff does not dispute that these cautionary statements were made, but attempts to dismiss the language as mere "boilerplate" language, devoid of any meaning. In the context of this litigation, however, Plaintiff's argument is unavailing. Indeed, in addition to all of the disclosures set forth above, the Company consistently described the contingent nature of the Company's backlog figures in all of its public filings. For example, the following statement was set forth in the FY03 Form 10-K and thus preceded all of the aforementioned cautionary language:
Our backlog... consists of anticipated revenues from the uncompleted portions of existing contracts... Anticipated revenues included in backlog may be realized over a multi-year period. We include a contract in backlog when the contract is signed by us and by our customer. We believe the backlog figures are firm, subject only to the cancellation and modification provisions contained in our contracts. (See Item 7: "Management’s Discussion and Analysis of Financial Condition and Results of Operations—Backlog.") Because of possible future changes in delivery schedules and cancellations of orders, backlog at any particular date is not necessarily representative of actual sales to be expected for any succeeding period, and actual sales for the year may not meet or exceed the backlog represented. We may experience significant contract cancellations that were previously booked and included in backlog.

See Harris-Sutton Decl. at Ex. A (FY03 Form 10-K) (emphasis added). Given the complete and thorough nature of the Company's disclosures regarding the unique structure of its business model, and the attendant risks, Plaintiff's bare and unsupported conclusion that the Company's cautionary statements "lacked meaning" is completely disingenuous.

Plaintiff's alternative argument that the allegedly false and misleading statements do not qualify for safe harbor protection because the statements were not, in fact, forward-looking is equally without merit. Indeed, for the Court to accept Plaintiff's argument, it would have to completely ignore the fact that Plaintiff's Consolidated Amended Complaint expressly identifies the allegedly false and misleading statements as statements concerning the Company's backlog. See, e.g., CAC at ¶ 29 ("The amounts reported as 'backlog' by the Defendants on August 24, 2004... were materially false and misleading because the Defendants failed to disclose that the Company had received a 'stop-work order' in June 2004") and ¶ 35 ("The amounts reported as 'backlog' by the Defendants on December 21, 2004, and January 14, 2005, ... were materially false and misleading"). The Court would also have to ignore the fact that Plaintiff admits, in the Consolidated Amended Complaint, that it was widely understood that the term "backlog" relates to future revenues. See, e.g., CAC at ¶ 26. Thus, according to Plaintiff's own allegations, which are based on Plaintiff's own information and belief, the Company's backlog is, by definition, merely a "projection of revenue" or a "prediction of future economic performance," thus falling squarely within the safe harbor. See 15 U.S.C. § 78u-5(i)(1)(A)-(C). Id. at ¶ 26.

Further, contrary to Plaintiff's current assertion, the fact that the Company used the word "firm"
to describe its backlog figures in the FY03 Form 10-K is not sufficient to equate the Company's "backlog" with "historical data," such as the Company's actual, recognized quarterly revenue. Indeed, even the passage in the FY03 Form 10-K that Plaintiff relies on makes clear that "backlog at any particular date is not necessarily representative of actual sales to be expected for any succeeding period, and actual sales for the year may not meet or exceed the backlog represented." See Harris-Sutton Decl. at Ex. A. Additionally, the Company's quarterly filings continuously reiterated the fact that the "backlog" consisted of the uncompleted portions of existing contracts.

Finally, Plaintiff's argument that the safe harbor is inapplicable because the Company did not adequately inform investors with regard to certain events in the "past" – i.e. "that the government had already issued 'stop-work orders,'" – is unpersuasive because it is premised on Plaintiff's own failure to understand the inherently contingent nature of a stop-work order. Indeed, Plaintiff's entire securities fraud theory relating to backlog is based on Plaintiff's belief that "the receipt of a 'stop-work order' means that any previously reported 'backlog' amounts attributable to revenue within the scope of the 'stop-work' order are no longer valid." See CAC at ¶ 26. However, this statement is not supported by the applicable regulations or the Company's actual manner of accounting for its backlog. See 48 C.F.R. 52.242-15 (describing how the receipt of a stop-work begins the negotiation process and how a stop-work order is subject to cancellation at any time during this negotiation period); see also Harris-Sutton Decl. at Ex. E (Third Quarter FY04 Form 10-Q) (stating that the Company's backlog would not be reduced until the negotiations relating to SW01 were completed and the Company was able to ascertain whether parts of the applicable contract would actually be terminated). Even under the lenient pleading standard afforded to a plaintiff on a 12(b)(6) motion, this Court "need not accept as true allegations that contradict facts which may be judicially noticed." Mullis v. United States Bankruptcy Ct., 828 F.2d 1385, 1388 (9th Cir.1987), cert. denied, 486 U.S. 1040 (1988). Accordingly, Defendants have

9 This is a distinction with a significant difference in the context of a publicly traded company. See, e.g., Release No. SAB - 101, 1999 WL 1100908 (SEC bulletin providing guidance with respect to revenue recognition). Ironically, had the Company actually characterized its potential revenue as "real" revenue in the manner that Plaintiff suggests is appropriate, the ramifications under the applicable SEC rules and regulations would have likely been catastrophic.
persuasively shown that the safe harbor precludes liability for all of the allegedly false and misleading statements relating to the Company's backlog. Therefore, Plaintiff's claims pertaining to the backlog are hereby DISMISSED WITH PREJUDICE.

B. Plaintiff's Failure to State a Claim under Section 10(b) of the Exchange Act or Rule 10b-5

Additionally, Defendants have also shown that Plaintiff has not stated a claim under Section 10(b) the Exchange Act or Rule 10b-5 with respect to both: (1) the allegedly false and misleading statements pertaining to the Company's backlog; and (2) the allegedly false and misleading statements pertaining to the Company's hiring of personnel. The sufficiency of Plaintiff's claims regarding the Company's backlog will be discussed first.

1. Statements Regarding the Company's Backlog

   a. The False and/or Misleading Element

   As noted in the previous discussion of the safe harbor provision, supra, Plaintiff's Consolidated Amended Complaint is premised on the following four allegedly false and/or misleading statements concerning the Company's backlog: (1) the August 2004 Conference Call; (2) the December 2004 Conference Call; (3) the December 2004 Press Release; and (4) the FY04 Form 10-K. Plaintiff alleges that the statement concerning the Company's backlog made during the August 2004 Conference Call was materially false and/or misleading because Defendants failed to disclose that, prior to the time the call took place, the Company had received two stop-work orders, SWO1 and SWO2. Plaintiff alleges that statements concerning the Company's backlog made during the December 2004 Conference Call, the December 2004 Press Release, and the FY04 Form 10-K were materially false and/or misleading because Defendants failed to disclose that, at the time the statements were made, the Company had received SWO2, SWO3, and SWO4.

   As an initial matter, the Court notes that Plaintiff has not alleged any facts sufficient to show that any of the statements concerning the Company's backlog were actually false when made. Indeed, the theory set forth in Plaintiff's Consolidated Amended Complaint is that: (1) the statement made in August 2004 regarding the $111 million backlog was false because the $111 million backlog figure did not
account for SWO1 and SWO2; (2) the statements made in December 2004 and January 2005 regarding the $143 million backlog was false because the $143 million backlog figure did not account for SWO2, SWO3, or SWO4. However, the Company's public statements make clear that anticipated revenues are not "debooked" from the total backlog figure until the contract affected by the stop-work order is actually terminated. See Harris-Sutton Decl. at Ex. E (Third Quarter FY04 Form 10-Q) (confirming that the backlog for the third quarter of FY04 was $111 million, but indicating that it might be reduced in FY05 if the "stopped tasks are [actually] terminated.").

For example, during the December 2004 Conference Call, an analyst specifically asked whether the $143 million included any potential "debookings," and Yancey replied as follows:

Q: And does the – one more question for you, or two more questions, please. Does the $143 million include – is that net of any potential debooking?

A: That includes the $12 million that has not been debooked.

Q: So it's not net of any potential debooking? Includes?

A: That's right.

See Harris-Sutton Decl. at Ex. F (December 2004 Form 8-K) (emphasis added).

Again, on February 22, 2005, Yancey responded to the following questions regarding backlog:

Q: Okay. During the last quarter, you had a nice — Q4 of 2004 was a big bookings quarter and also backlog came in pretty robust. Can you give us an idea of where your backlog is right now?

A: Sure, at the end of the first quarter, Jay, it's a little over $124 million.

Q: And that is not net of any potential debooking, correct?

A: Well, that's correct.

A: Yes. We had to — we had to figure out how many negatives was in there, but you're correct. You're correct.

A: So it still includes the $12 million — the 11 to 13 million in that range — $12 million of anticipated debooking.

Thus, with respect to SWO2, SWO3, and SWO4, Plaintiff would have to prove both: (1) that the stop-work orders actually resulted in a termination of all or a portion of the relevant contracts; and (2) that the effect of the termination was immediately calculable in the third or fourth quarters of FY04 or the first quarter of FY05. Even construed in the light most favorable to Plaintiff, Plaintiff's Consolidated Amended Complaint does not contain any allegations sufficient to meet these requirements.

Additionally, in order for Plaintiff to prove that Defendants' statements were misleading, Plaintiff would have to show that the Company had a duty to disclose SWO1 prior to September 9, 2004; that the Company had a duty to disclose SWO2 during the August 2004 Conference Call or thereafter; and that the Company had a duty to disclose SWO3 and SWO4 as of the time of the December 2004 Conference Call or thereafter. See Gallagher v. Abbott Labs., Inc., 269 F.3d 806, 809 (7th Cir. 2001) ("Much of plaintiffs' argument reads as if firms have an absolute duty to disclose all information material to stock prices as soon as news comes into their possession. Yet that is not the way the securities laws work. We do not have a system of continuous disclosure. Instead firms are entitled to keep silent (about good news as well as bad news) unless positive law creates a duty to disclose."). As Defendants point out, however, Plaintiff has not affirmatively alleged such duty, and it clear to the Court, based on the applicable facts and the law that has been presented, that no such duty existed. For example, as to the pertinent facts, the allegations in the Consolidated Amended Complaint are ambiguous, at best, as to the: (1) dates the stop-work orders were issued; (2) the dates the stop-work orders were to expire; (3) whether the stop-work orders affected all or part of the relevant contracts; (4) whether the stop-work orders were subject to any extensions; (5) whether the stop-work orders actually resulted in any contract terminations; and (6) the amount of future revenues affected by the contract terminations, if such terminations occurred.

Plaintiff's argument that the August 2004 Conference Call statement was false is foreclosed by the fact that Plaintiff admits that the statement that backlog was "approximately $111 million" was, in fact, correct. See CAC at ¶ 29(a) ("The Third Quarter Form 10-Q reported the same 'backlog' number that the Defendants had announced in the August Conference Call.").
Further, in his opposition, Plaintiff does not identify a single statute or regulation that requires a company to disclose either the *possibility* that contracts with customers may be terminated or the actual termination of the customer contract. Indeed, as Defendants aptly note, although the SEC considered proposing such a regulation, it ultimately decided against it. *See* SEC, Final Rule: Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date, Release Nos. 33-8400, 34-49424 (Mar. 16, 2004) (declining to adopt Proposed Item 1.03, "Termination or Reduction of a Business Relationship with a Customer."). Where, as here, a plaintiff's complaint is devoid of the pertinent details and fails to otherwise affirmatively plead the basis for the duty of disclosure, the Court must dismiss the claim. *See, e.g.*, *In re Digital Island Sec. Litig.*, 357 F.3d 322, 329 n. 10 (3rd Cir. 2004).

b. *Scienter*

Plaintiff's Consolidated Amended Complaint also fails to sufficiently establish scienter. Under the PSLRA, Plaintiff must allege particular facts giving rise to a *strong* inference of scienter. 15 U.S.C. sec 78u-4(b)(2). With respect to SWO1, the Consolidated Amended Complaint does not plead any facts showing that the decision to disclose the stop-work order on September 9th, rather than August 24th, was the product of fraud or even the product of recklessness. In fact, the Consolidated Amended Complaint does not say anything at all with regard to Doyle or Yancey's state of mind as of August 24, 2004, other than the conclusory assertion that Doyle and Yancey "did not deny" in the Form 10-Q that they "knew about [SWO1] at the time that it was first issued by the government contractor." *See* CAC at ¶ 29(b). Not only is this insufficient, but the fact that Defendants disclosed the SWO1 in the Company's Form 10-Q *only two weeks later* cuts heavily against an inference of scienter. *See, e.g.*, *In re Segue Software, Inc. Sec. Litig.*, 106 F. Supp. 2d 161, 170 (D. Mass. 2000). The inference of scienter is further negated by the fact that neither Yancey nor Doyle sold any stock during this two-week period.

With respect to SWO2, SWO3, and SWO4, the Consolidated Amended Complaint also fails to set forth any allegations sufficient to show that Yancey or Doyle even knew of the stop-work orders, much less that Yancey and Doyle deliberately attempted to deceive stockholders by providing false or
misleading information pertaining to the Company's backlog. To the contrary, as noted previously, Yancey and Doyle candidly disclosed during the relevant period that potential debookings affecting future revenue were *not* excluded from the Company's backlog. See Harris-Sutton Decl. at Ex. F (December 2004 Form 8-K). The Company also repeatedly warned shareholders in its public filings that the Company's backlog was not necessarily representative of actual future sales or revenue.

Further, with respect to Doyle, there is no allegation that he sold any stock during the Class Period. As to Yancey, it has not been sufficiently shown that his stock sales – which occurred during January 2005 – were "dramatically out of line with prior trading practices" or that they took place during a time specifically "calculated to maximize the personal benefit from undisclosed inside information." See *Ronconi v. Larkin*, 253 F.3d 423, 435 (9th Cir. 2001). To the contrary, the allegations in the Consolidated Amended Complaint plainly state that Yancey – like most of the other shareholders – sold stock after the Company announced fourth quarter operating results for FY04 that did not meet the analysts' expectations. See CAC at ¶ 42 ("Only once in the preceding six months had more than 1 million shares of Applied Signal stock traded in a day; at no other time did volume exceed 600,000 shares in a day."). The only allegation in the Consolidated Amended Complaint that even suggests an inference that the stock sales were suspicious is Plaintiff's bare assertion that "Yancey had complete knowledge of the 'stop-work orders' and their expected impact on the Company's revenues and earnings for the quarter." See CAC at ¶ 49. However, this assertion is completely undermined by the fact that Plaintiff's Consolidated Amended Complaint does not actually allege any facts showing that the stop-work orders had any impact on the Company's recognized revenue or earnings for the first quarter of FY05. See CAC at ¶¶ 44-47.

c. Loss Causation

Finally, Defendants correctly argue that the Consolidated Amended Complaint does not provide an adequate basis for the required element of loss causation for SWO2, SWO3, or SWO4.¹¹ Indeed, the

¹¹Defendants concede in their Motion that loss causation relating to SWO1 is adequately plead.
internal inconsistencies of the Consolidated Amended Complaint actually defeat a finding of loss causation. For example, as noted above, although Plaintiff's securities fraud theory is premised on his contention that the Company's misleading statements regarding backlog resulted in substantial financial loss to the shareholders, Plaintiff actually states, in his Consolidated Amended Complaint, that the price per share of the Company's stock declined in December 2004 because the Company announced that: (1) the earnings would only be 21 cents per share for the fourth quarter of FY04, as opposed to the analysts' consensus estimate of 29 cents per share; and (2) the Company's revenue had only increased by 3%. 

See CAC at ¶ 42. Plaintiff also states that the price per share of the Company's stock declined in February 2005 because the Company reported that "revenue declined almost 25 percent from the preceding quarter, with net income and earnings per share declining as well." See CAC at ¶ 44.

Although Plaintiff vigorously contends, in his Opposition brief, that the stop-work orders were the actual cause of the losses in revenue, the Consolidated Amended Complaint does not actually state this. Indeed, the Consolidated Amended Complaint does not set forth any facts establishing a causal connection between the contracts purportedly affected by the stop-work orders and the actual revenue for the fourth quarter of FY04 or the first quarter of FY05. Plaintiff's argument that it is "facially absurd" to assume anything other than that SWO2, SWO3, and SWO4 directly impacted revenue in the fourth quarter of FY04 and the first quarter of FY05 is undermined considerably by the relevant government regulations concerning stop-work orders, which expressly provide that stop-work orders are contingent for a ninety-day period and are otherwise subject to negotiations, revisions, and extensions. Plaintiff's argument is further undermined by the fact that contracts are included in the "backlog" precisely because the revenue is not recognizable until the relevant portion of the contract is completed and the fact that it is undisputed that anticipated revenues included in the backlog are typically realized over a multi-year period.

2. Statements Concerning Hiring

Next, with respect to Plaintiff's allegations concerning the Company's purportedly false and misleading statements regarding the hiring of personnel, Defendants have effectively shown that
Plaintiff's Consolidated Amended Complaint fails to state a claim under Section 10(b) or Rule 10b-5. Over the course of the entire Class Period, only three statements concerning hiring are challenged in the Consolidated Amended Complaint: (1) two statements made during the August 2004 Conference Call; and (2) a statement made in the August 2004 Press Release.12

Plaintiff first challenges the fact that Yancey stated, during the August 2004 Conference Call, that he was "pleased that we've been able to stay up with a fairly aggressive growth requirement and, in particular, hiring of staff and staff that we can get cleared and hiring cleared staff and we believe that we're keeping our program performance on par with adequate performance to where we will continue to be looked upon as an asset to the defense community by the U.S. government." See Harris-Sutton Decl. at Ex. C.

The second August 2004 Conference Call statement challenged by Plaintiff is as follows:

Q: Okay. Thank you. Secondly, how many engineers did you add during the quarter?

A (Doyle): We've had total hiring of about 100 people year-to-date. Let's see, I don't know Gary, what, about 30 through the quarter?

A (Yancey): I would have actually guessed maybe 20. It slowed a bit into the summer, although perhaps not. The simple answer would be to go ahead and use 30, Steve, and kind of assume we've been close to linear in our increase.

See Harris-Sutton Decl. at Ex. C.

As to the August 2004 Press Release, Plaintiff alleges that the following statement was false and misleading:

Regarding the third quarter operating results, Mr. Gary Yancey, President and Chief Executive Officer of the Company, commented, "The greatly increased level of orders compared to fiscal 2003 has challenged us to meet aggressive hiring requirements and to control capital expenditures. I am pleased that we have met these challenges and have been able to meet our contractual commitments. This has resulted in our increase in revenue compared to fiscal 2003."

12The Consolidated Amended Complaint makes mention of other statements of similar nature made by Defendants, but these statements fall outside of the relevant Class Period. See CAC at ¶ 38.
a. The False and/or Misleading Element

Plaintiff alleges that the aforementioned statements were materially false and misleading because "[i]f Applied Signal had, in fact, added 100 employees 'year-to-date' as of August, 2004, as reported by Defendant Doyle during the August Conference Call, the Company would have had 525 employees" at the time of the December 2004 Conference Call and "should have had approximately 545 employees at the end of the year." See CAC at 40(b). As an initial matter, given that Plaintiff's entire argument is based on the fact that the Company had 498 employees in December instead of Plaintiff's speculation that it should have had 525 or 545 employees, Plaintiff's claim borders on frivolous. See, e.g., Central Laborers Pension Fund v. Merix Corp., 2005 WL 2244072, * 4 (D. Or. 2005) ("Plaintiff cannot meet the heightened pleading standards applicable to fraud claims by simply characterizing Defendants' statements, embedding in those characterizations assumptions not found in the statements themselves, and then explaining why Plaintiff's own assumptions are false.").

Further, with respect to the element of falsity, Plaintiff's securities fraud "theory" is hopelessly flawed. First, as Defendants point out, the statement made by Doyle in the August 2004 Conference Call makes clear that Doyle is not referring to a "net" gain of 100 employees. Thus, a theory that attempts to prove falsity by comparing Doyle's statement with the total number of employees within the Company in December 2004 is inherently defective. Indeed, there are no allegations in the Consolidated Amended Complaint showing that the Company did not, in fact, hire the indicated number of employees. As such, Plaintiff has not adequately plead that the statements made by Doyle or Yancey were false. Second, and more importantly, Plaintiff utterly fails to show how Doyle and Yancey's statements were misleading. Indeed, it does not appear that Plaintiff could show this, as Doyle's and Yancey's answers regarding hiring are replete with qualifiers such as "I don't know," "maybe," and "I would have guessed."

b. Scienter

The fact that Doyle and Yancey expressly stated in the August 2004 Conference Call that they
were not expressing a firm opinion with regard to the exact number of employee hires, and were only guessing, also negates a finding that Doyle or Yancey acted out of deliberate recklessness or with an intent to defraud shareholders. The inference of scienter is further negated by the fact that Doyle and Yancey did not experience any personal gain as a result of the allegedly false or misleading statements. Indeed, even Plaintiff admits that Yancey did not sell any Company stock until after the December 2004 disclosure which clarified the exact number of Company employees.

c. Loss Causation

Additionally, the Consolidated Amended Complaint does not establish a causal connection between the August 2004 statements regarding hiring and the December 2004 decline in stock price. To the contrary, as set forth previously, Plaintiff alleges, instead, that the stock price fell in December because the Company announced that it was not meeting the analysts' consensus estimate and because the Company's revenue only increased by 3%. See CAC at ¶ 42. Plaintiff's contention that the February 2005 decline in stock price is also attributable to the Company's August 2004 statements is foreclosed by the fact that Plaintiff admits that the investing public was apprised of the true number of employees in December 2004.

In sum, Plaintiff has failed to state a claim under Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. Accordingly, these causes of action are hereby DISMISSED.

C. Liability Under § 20(a) of the Exchange Act

With respect to Plaintiff's second cause of action, to establish "control person" liability under Section 20(a) of the Exchange Act, Plaintiff must show that a primary violation of Section 10(b) or Rule 10b-5 was committed and that each individual defendant "directly or indirectly" controlled the violator. See Paracor Finance, Inc. v. General Electric Capital, 96 F.3d 1151, 1161 (9th Cir.1996). Since Plaintiff has not stated a viable Section 10(b) or Rule 10b-5 claim, Plaintiff's claim under Section 20(a) of the Exchange Act necessarily fails. Accordingly, the entire Consolidated Amended Complaint is DISMISSED.

III. Dismissal with Prejudice
Further, given the deficiencies in Plaintiff's Consolidated Amended Complaint identified herein, the Court has concluded that it is appropriate to DISMISS the Consolidated Amended Complaint WITH PREJUDICE. In making this determination, the Court finds it important to point out that this case departs from the usual circumstances where dismissal with leave to amend is appropriate because the plaintiff has merely failed to allege, with sufficient particularity, facts supporting a viable legal theory of securities fraud. In this case, by way of contrast, the Consolidated Amended Complaint is defective because Plaintiff's theory of fraud, itself, is legally flawed and is premised on either a fundamental misunderstanding of Applied Signal's business model, at best, or a blatant misrepresentation of the pertinent facts. Since Plaintiff could only amend his Consolidated Amended Complaint to allege additional facts that are consistent with the facts that have already been plead, the Court finds that granting Plaintiff leave to amend in order to augment the Consolidated Amended Complaint with additional facts would be futile. Further, since Plaintiff has already changed his theory of fraud twice, granting further leave to amend would be highly prejudicial to Defendants. The typically liberal standard of allowing leave to amend should not be employed to require Defendants to defend against an amorphous, "moving target" securities fraud case that is not well thought-out or well supported.

Further, the Court finds that dismissal without leave to amend is also appropriate given the length of time that has passed since the initial complaint was filed. Indeed, the initial complaint was filed on March 11, 2005 and the Consolidated Amended Complaint was filed five months later, on August 12, 2005. Plaintiff has been on notice with regard to the defects of his Consolidated Amended Complaint since September 14, 2005, when Defendants filed the instant Motion to Dismiss. Accordingly, dismissal with prejudice is warranted on this basis as well. See Lipton v. Pathogenesis Corp., 284 F.3d 1027, 1038-39 (9th Cir. 2002) (affirming district court's dismissal with prejudice after finding that: (1) more than six months had elapsed between the filing of the original lawsuit and the filing of the consolidated amended complaint, and (2) three additional months had passed between the

13 As noted in the discussion of the procedural history of this case, the complaints initially filed set forth a different class period and were not expressly premised on the statements concerning the Company's stop-work orders and backlog.
Further, the Court cannot overlook the fact that Applied Signal is currently in its 2006 fiscal year, and yet Plaintiff's Opposition does not even suggest that Plaintiff is aware of any additional facts or events that have occurred during this passage of time that would lend further support to his case. 14

CONCLUSION

For all of the reasons set forth above, IT IS HEREBY ORDERED THAT Defendants' Motion to Dismiss [Docket No. 35] is GRANTED. The Court hereby DISMISSES the Consolidated Amended Complaint WITH PREJUDICE.

IT IS FURTHER ORDERED THAT Defendant's Request for Judicial Notice [Docket No. 36] is GRANTED.

IT IS FURTHER ORDERED THAT Plaintiff's Motion for Class Certification [Docket No. 25] is DENIED AS MOOT.

IT IS SO ORDERED.

Dated: 2/6/06

SAUNDRA BROWN ARMSTRONG
United States District Judge

14Further, the Court cannot overlook the fact that Applied Signal is currently in its 2006 fiscal year, and yet Plaintiff's Opposition does not even suggest that Plaintiff is aware of any additional facts or events that have occurred during this passage of time that would lend further support to his case.
EXHIBIT 31
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

In re VERITAS SOFTWARE
CORPORATION SECURITIES LITIGATION

______________________________
This Document Relates to ALL ACTIONS
______________________________

Master File No. C-03-0283 MMC
ORDER GRANTING, WITH LEAVE TO
AMEND, MOTIONS TO DISMISS FIRST
AMENDED COMPLAINT; VACATING
HEARING
(Docket Nos. 112, 113)

Before the Court is the motion to dismiss, filed February 17, 2004 by defendants
Veritas Software Corporation ("Veritas"), Gary L. Bloom ("Bloom"), Mark Leslie ("Leslie")
and Paul A. Sallaberry ("Sallaberry") (collectively "Veritas defendants"). Also before the
court is the separate motion to dismiss, filed February 17, 2004 by defendant Kenneth
Lonchar ("Lonchar"). Having considered the papers filed in support of, and in opposition to,
the motions, the Court finds the matters appropriate for decision without oral argument (see
Civ. L.R. 7-1(b)) and hereby VACATES the May 21, 2004 hearing. For the reasons set
forth below, defendants' motions to dismiss are GRANTED, and the complaint is
DISMISSED, with leave to amend.

BACKGROUND

This is a purported securities fraud class action, brought on behalf of persons who
bought Veritas stock between January 3, 2001 and January 16, 2003. The action is
brought against Veritas; its former Chief Executive Officer ("CEO") and Chairman of the
Board, Leslie; its current President and CEO, Bloom; its former Chief Financial Officer
("CFO") and Executive Vice President, Lonchar; and its Executive Vice President of
Worldwide Field Operations, Sallaberry. (See First Amended Class Action Complaint
("FAC"), filed January 16, 2004, ¶¶ 13-14.) Plaintiffs allege that defendants violated
§§ 10(b) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C.
§§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by
cauing Veritas to issue false and misleading statements about its financial performance for
the fourth quarter of its fiscal year 2000 ("4Q00") and fiscal year 2001. (See id. ¶¶ 4,
7, 10.)

Veritas is a supplier of "data availability software products[.]" (See id. ¶ 2.) Plaintiffs
allege that, in 4Q00, Veritas improperly recognized revenue and expenses with respect to a
September 2000 transaction with America Online, Inc. ("AOL"), in which AOL agreed to
purchase $50 million in software and services from Veritas, and Veritas agreed to purchase
$20 million in online advertising from AOL. (See id. ¶¶ 4, 56.) According to plaintiffs, the
AOL transaction was Veritas' largest deal of the quarter. (See id. ¶ 71(n).)

Plaintiffs allege that Veritas recognized $37 million in revenue from the transaction
during 4Q00, including $20 million that was recognized in violation of Generally Accepted
Accounting Principles ("GAAP"). (See id. ¶¶ 4, 54.) In particular, plaintiffs allege that
defendants had no reasonable basis for allocating $50 million to the sale of software and
services, based on the fair value of each component. (See id. ¶ 4.) Plaintiffs also allege
that Veritas had no economic reason to advertise on AOL, and thus had no basis for
valuing the advertising at $20 million. (See id. ¶ 6.)

Throughout fiscal year 2001, Veritas repeated the allegedly false 4Q00 and fiscal
year 2000 revenue and earnings results in press releases, conference calls and in public
filings with the Securities and Exchange Commission ("SEC"). (See id. ¶ 6.) Veritas also
allegedly falsely assured investors that its revenue recognition principles were in
compliance with GAAP. (See id. ¶¶ 6, 50.) Plaintiffs allege that as a result of Veritas’
allegedly improper accounting, Veritas beat Wall Street analysts’ revenue expectations by 
$25 million, and beat their earnings per share ("EPS") estimates by $0.02 per share. (See 
id. ¶ 44.) The price of Veritas stock allegedly was artificially inflated as a result of the 
purportedly false 4Q00 financial results. (See id. ¶ 45.)

In August 2002, the United States Department of Justice ("DOJ") and/or the SEC 
allegedly served a subpoena on Veritas, seeking documents relating to the AOL 
transaction. (See id. ¶¶ 8, 98.) Additionally, Veritas’ auditors, KPMG LLP ("KPMG"), 
allegedly began investigating the AOL transaction. (See id. ¶¶ 8, 98.)

According to plaintiffs, Veritas announced to investors, on October 3, 2002, that 
Lonchar, its CFO, had misrepresented his educational background and had resigned. (See 
id. ¶ 100.) In that announcement, plaintiffs allege, Bloom assured investors that Lonchar’s 
representation had no effect on the accuracy of Veritas’ financial statements or on the 
quality of its financial procedures and controls. (See id. ¶¶ 100-01.) According to the 
complaint, Bloom further assured investors that it was unlikely that there would be any 
additional scrutiny of Veritas’ accounting because it had just completed a review of its 
procedures as part of the certification process to the SEC. (See id. ¶ 101.) Veritas 
allegedly did not disclose the SEC’s investigation into the AOL transaction at that time, or 
that KPMG had begun reviewing the transaction. (See id.)

On October 23, 2002, Veritas announced that it would restate its financial results for 
the two years between September 30, 2000 and June 30, 2002, reducing revenues, 
primarily from online advertising transactions, by $190 million. (See id. ¶ 103.) On 
November 14, 2002, Veritas filed with the SEC its form 10-Q for the period ending 
September 30, 2002. (See id. ¶ 104.) In that document, Veritas disclosed, for the first 
time, that it had been served with a subpoena by the SEC for documents relating to the 
AOL transaction. (See id.) Veritas also stated that it was reviewing its accounting 
treatment of the transaction, focusing on $20 million in advertising services expense and 
$20 million of the sales revenue. (See id.) On disclosure of this news, Veritas’ stock 
dropped from $18.25 to $16.75 on November 15, 2002 on 24,622,200 shares traded, a
300% increase in volume from the previous day. (See id. ¶ 105.)

On January 17, 2003, Veritas, according to plaintiffs, announced that it would restate its 4Q00 and 2001 financial statements to eliminate approximately $20 million in revenue and approximately $7 million in net income previously reported for 4Q00. (See id. ¶¶ 108–09.) On January 28, 2003, Veritas allegedly explained, in a conference call, that the financial restatements were being restated “to reflect that $20 million of license and support fees paid by AOL [would] not be recognized as revenue and $20 million of advertising services paid to AOL would not be recorded as expense.” (See id. ¶ 110.) In the restatement, Veritas allegedly admitted that “the fair value of the goods and services purchased and sold in the AOL transactions could not be reasonably determined and [Veritas] ha[d] accordingly restated its financial results to reflect a reduction in revenues and expenses of $20.0 million.” (See id. ¶ 9.) Plaintiffs contend that Veritas, in doing so, acknowledged that there was no basis for Veritas’ purchase of $20 million in advertising services from AOL and that the AOL transaction was a “roundtrip transaction,” i.e., a transaction without economic substance that was designed to allow each party to fraudulently recognize revenue. (See id.)

On March 17, 2003, Veritas filed with the SEC its Form 10-K/A for the fiscal year ending December 31, 2001, officially announcing the restatement of revenue for the fourth quarter and fiscal years 2000 and 2001. (See id. ¶ 111.) Veritas also revealed that it would restate additional transactions. (See id.)

Plaintiffs allege that each of the lead plaintiffs and each of the class members purchased Veritas securities at inflated prices during the class period and was damaged thereby. (See id. ¶ 12.)

LEGAL STANDARD

A motion to dismiss under Rule 12(b)(6) cannot be granted unless “it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief.” See Conley v. Gibson, 355 U.S. 41, 45-46 (1957). Dismissal can be based on the lack of a cognizable legal theory or the absence of sufficient facts alleged
under a cognizable legal theory. See Balistreri v. Pacifica Police Dept., 901 F.2d 696, 699 (9th Cir. 1990).

Generally, a district court, in ruling on a Rule 12(b)(6) motion, may not consider any material beyond the pleadings. See Hal Roach Studios, Inc. v. Richard Feiner And Co., Inc., 896 F.2d 1542, 1555 n. 19 (9th Cir. 1990). Material that is properly submitted as part of the complaint, however, may be considered. See id. Documents whose contents are alleged in the complaint, and whose authenticity no party questions, but which are not physically attached to the pleading, also may be considered. See Branch v. Tunnell, 14 F.3d 449, 454 (9th Cir. 1994). In addition, the Court may consider any document “the authenticity of which is not contested, and upon which the plaintiff’s complaint necessarily relies,” regardless of whether the document is referred to in the complaint. See Parrino v. FHP, Inc., 146 F.3d 699, 706 (9th Cir. 1998). Finally, the Court may consider matters that are subject to judicial notice. See Mack v. South Bay Beer Distributors, Inc., 798 F.2d 1279, 1282 (9th Cir. 1986).

In analyzing a motion to dismiss, the Court may disregard factual allegations if such allegations are contradicted by the facts established by reference to exhibits attached to the complaint. See Durning v. First Boston Corp., 815 F.2d 1265, 1267 (9th Cir. 1987). Conclusory allegations, unsupported by the facts alleged, need not be accepted as true. See Holden v. Hagopian, 978 F.2d 1115, 1121 (9th Cir. 1992).

**DISCUSSION**

A. Request for Judicial Notice

Defendants request that the Court, in ruling on the instant motions to dismiss, take judicial notice of four of Veritas’ filings with the SEC, one each from 2000 and 2002, and two from 2001. Plaintiffs oppose the request, arguing that the Court may not consider any document that is not mentioned in, or attached to, the complaint. Plaintiffs further argue that to the extent the Court may consider such documents, it may consider them only for the purpose of reviewing the statements made therein, and may not accept any such statements as true.
Pursuant to Rule 201 of the Federal Rules of Evidence, the Court may take judicial notice of any fact that is “not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.”

See Fed. R. Ev. 201. The Ninth Circuit has long recognized that the Court may take judicial notice of matters of public record in ruling on a motion to dismiss. See, e.g., Mack, 798 F.2d at 1282. The Court may consider such matters even when they are not included in or attached to the pleadings. See, e.g., Lee v. City of Los Angeles, 250 F.3d 668, 688-89 (9th Cir. 2001); MGIC Indemnity Corp. v. Weisman, 803 F.2d 500, 504 (9th Cir. 1986).

Other circuits have held that, in ruling on a motion to dismiss, it is appropriate for a court to “review and consider public disclosure documents required by law to be and which actually have been filed with the SEC.” See Cortec Industries, Inc. v. Sum Holding L.P., 949 F.2d 42, 47 (2d Cir. 1991). The documents may be reviewed, however, “not to prove the truth of their contents but only to determine what the documents stated.” See Kramer v. Time Warner, Inc., 937 F.2d 767, 774 (2d Cir. 1991); see also Lovelace v. Software Spectrum, Inc., 78 F.3d 1015, 1018 (5th Cir. 1996) (holding SEC documents “should be considered only for the purpose of determining what statements the documents contain, not to prove the truth of the documents’ contents”); Bryant v. Avado Brands, Inc., 187 F.3d 1271, 1278 (11th Cir. 1999) (holding that “a court, when considering a motion to dismiss in a securities fraud case, may take judicial notice (for the purpose of determining what statements the documents contain and not to prove the truth of the documents’ contents) of relevant public documents required to be filed with the SEC, and actually filed”). Although the Ninth Circuit has not addressed the issue, it has similarly held that, in deciding a motion to dismiss, “when a court takes judicial notice of another court’s opinion, it may do so ‘not for the truth of the facts recited therein, but for the existence of the opinion, which is not subject to reasonable dispute over its authenticity.’” See Lee, 250 F.3d at 690 (quoting Southern Cross Overseas Agencies, Inc. v. Wah Kwong Shipping Group Ltd., 181 F.3d 410, 426-27 (3d Cir. 1999)).
Accordingly, the Court GRANTS defendants' request to take judicial notice of certain of Veritas' filings with the SEC. The Court will take judicial notice of such documents only to determine the statements that were made therein, however, and will not take judicial notice of the truth of any factual assertions made therein.

B. Motions to Dismiss

The gravamen of plaintiffs' complaint is that defendants fraudulently recognized $20 million in revenue in 4Q00 from the AOL transaction. (See FAC ¶ 4.) Plaintiffs allege that, under GAAP, defendants were not permitted to recognize such revenue in that quarter unless they had objective evidence of the fair market value of each component of the transaction, which plaintiffs allege defendants lacked. (See id. ¶¶ 4, 6.)

The Court granted defendants' motions to dismiss the previous complaint on the ground that plaintiffs had failed to adequately plead scienter. The Court explained:

The mere fact that Veritas has restated its accounting for the AOL transactions does not give rise to a strong inference of fraudulent intent. . . . [P]laintiffs have failed to plead facts sufficient to give rise to an inference that anyone at Veritas knew, or was deliberately reckless in not knowing of the accounting error with respect to the AOL transaction. . . . [P]laintiffs have not alleged any facts to show how Veritas originally determined the value of the components of the September 2000 AOL transaction at the time of the transaction. The complaint also fails to allege who was involved in making those decisions. Consequently, there are no facts from which the Court can infer whether those valuations were so outside the bounds of reasonableness as to constitute deliberate recklessness on the part of any defendant. (See Order Granting Motions to Dismiss, filed December 10, 2003, at 8.) The Court also noted that plaintiffs' confidential witnesses, "at least as shown by the pleadings, had little to no experience with the accounting of the AOL transaction, or other information from which a strong inference of scienter can be drawn." See id. at 9. The Court granted plaintiffs leave to amend and, on January 16, 2004, plaintiffs filed their First Amended Complaint.¹

Defendants now move to dismiss the FAC, contending that plaintiffs' allegations still fail to state a claim against them for securities fraud. As both motions to dismiss raise

¹ In connection with their opposition to the motion to dismiss, plaintiffs have provided a helpful summary of the new allegations they have included in the FAC. (See Plaintiff's Summary of the Amendments to the First Amended Complaint.)
similar issues, the Court will consider them together.

1. Section 10(b) and Rule 10b-5

   a. Legal Standard

   Section 10(b) of the Securities Exchange Act of 1934 provides that “[i]t shall be unlawful for any person . . . [t]o use or employ, in connection with the purchase or sale of any security . . . any manipulative or deceptive device or contrivance in contravention of such rules and regulations as the Commission may prescribe[.]” See 15 U.S.C. § 78j(b).

   Rule 10b-5 provides:

   It shall be unlawful for any person . . .

   (a) To employ any device, scheme, or artifice to defraud,

   (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or

   (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

17 C.F.R. § 240.10b-5. “The elements of a Rule 10b-5 claim are: (1) a misrepresentation or omission of a material fact; (2) reliance, (3) scienter, and (4) resulting damages.” See Paracor Finance, Inc. v. General Electric Capital Corp., 96 F. 3d 1151, 1157 (9th Cir. 1996).

   Any class action complaint alleging securities fraud in violation of the Exchange Act is subject to the heightened pleading standards set forth in the Private Securities Litigation Reform Act of 1995 (“PSLRA”). See In re Silicon Graphics Inc. Sec. Litig., 183 F. 3d 970, 973-74 (9th Cir. 1999). Under the PSLRA, for all claims based on misrepresentations or omissions, plaintiffs must “specify each statement alleged to have been misleading, the reason or reasons why the statement is misleading, and, if an allegation regarding the statement or omission is made on information and belief, the complaint shall state with particularity all facts on which that belief is formed.” See 15 U.S.C. § 78u-4(b)(1). Plaintiffs “must provide all the facts forming the basis for [their] belief in great detail.” See Silicon
The PSLRA also requires that “the complaint shall, with respect to each such act or omission alleged to violate this chapter [the Securities Exchange Act of 1934], state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind.” See 15 U.S.C. § 78u-4(b)(2). The required state of mind is “deliberate recklessness, at a minimum.” See Silicon Graphics, 183 F.3d at 974. Plaintiffs “must plead, in great detail, facts that constitute strong circumstantial evidence of deliberately reckless or conscious misconduct.” See id. They “must state specific facts indicating no less than a degree of recklessness that strongly suggests actual intent.” See id. at 979.

In determining whether scienter has been adequately alleged, the Court must examine the totality of plaintiffs’ allegations. See No. 84 Employer-Teamster Joint Council Pension Trust Fund v. America West Holding Corp., 320 F.3d 920, 938 (9th Cir. 2003). The Court must consider “all reasonable inferences to be drawn from the allegations, including inferences unfavorable to the plaintiffs.” See id. (quoting Gompper v. VISX, Inc., 298 F.3d 893, 897 (9th Cir. 2002)). “District courts should consider all the allegations in their entirety, together with any reasonable inferences that can be drawn therefrom, in concluding whether, on balance, the plaintiffs’ complaint gives rise to the requisite inference of scienter.” Gompper v. VISX, Inc., 298 F.3d at 897. To establish a strong inference of scienter, the allegations must show that an inference of fraud is “the most plausible of competing inferences.” See id. (quoting Helwig v. Vencor, Inc., 251 F.3d 540, 553 (6th Cir. 2001) (en banc)).

In the instant case, the mere fact that Veritas restated its accounting for the AOL transactions does not give rise to a strong inference of fraudulent intent. See DSAM Global Value Fund v. Altris Software, Inc., 288 F.3d 385, 390 (9th Cir. 2002) (citation omitted)("[T]he mere publication of inaccurate accounting figures, or a failure to follow GAAP," 2

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2 "Allegations are deemed to have been made on information and belief until the plaintiffs demonstrate that they have personal knowledge of the facts." In re The Vantive Corp. Sec. Litig., 283 F.3d 1079, 1085 n.3 (9th Cir. 2002).
without more, does not establish scienter.”) The Ninth Circuit has held that even allegations that an “auditor egregiously failed to see the obvious – that according to [GAAP], millions of dollars in revenue from software sales reflected in a financial statement should not have been recognized” – fail to establish a strong inference of scienter, but rather allege only “a compelling case of negligence – perhaps even gross negligence.” See id. at 387.

b. Adequacy of Scienter Allegations

Defendants again move to dismiss the First Amended Complaint for failure to adequately allege scienter. For the reasons set forth below, the Court agrees with defendants that plaintiffs still fail to allege facts sufficient to show that an inference of fraud, rather than negligence, is “the most plausible of competing inferences.” See Gompper, 298 F.3d at 897 (quoting Helwig, 251 .3d at 553).

Plaintiffs have amended their complaint to allege the contents of certain internal correspondence at Veritas during the fall of 2000. (See FAC ¶¶ 65-71.) Plaintiffs allege that on November 1, 2000, Rita Gladney (“Gladney”), Veritas’ revenue account manager, sent an email to Sallaberry in which she informed him that “[w]hen the services are bundled into a Site License (multiple element arrangement), a proportionate amount of the discount must be allocated to each element based on the fair market value of each element without regard to the discount.” (See id. ¶ 66, and Ex. 37.) Plaintiffs allege that Gladney informed Sallaberry that “[t]his is straight out of the SOP,” (see id.), and that on the same day, Gladney sent another email, which was copied to Sallaberry, in which she forwarded the “3rd Version of the AOL Breakdown,” and stated that the training allocation had been increased “to correctly reflect [Veritas’] highest priced Onsites.” (See id. ¶ 67, and Ex. 38.) Far from raising an inference of scienter, however, these documents show that Veritas was attempting to comply with the Accounting Standards Executive Committee Statements of Position (“SOP”). (See id. ¶ 7 (defining “SOP”).) Moreover, Gladney’s statement that the training allocation was being adjusted “to correctly reflect our highest priced Onsites” indicates that Veritas was attempting to value the transaction with respect to actual fair
market values.

Additionally, plaintiffs now allege that the fact Veritas was still making changes to the pricing of the components of the AOL transaction more than a month after the transaction took place indicates an intent to manipulate the figures to maximize the amount of revenue that could be recognized in 4Q00. (See id. ¶¶ 69-71.) Plaintiffs point, in particular, to the charts attached to Gladney’s November 1, 2000 email, which show significant increases in the percentages of the deal attributable to license fees and significant decreases in the amounts attributable to support fees. (See id.) Plaintiffs fail to allege, however, how these changes demonstrate an intent to defraud, rather than an attempt to comply with GAAP. Although the theory of plaintiffs’ case is that Veritas lacked objective evidence of fair market values for each element of the AOL transaction (see id. ¶ 4), plaintiffs point to no facts suggesting that the increased license fees and lowered support fees bear no relation to actual fair market values, let alone that anyone at Veritas was aware of it at the time.

Plaintiffs also have amended their complaint to include allegations with respect to four new confidential witnesses (“CW”): CWs 12, 13, 14, and 15. (See FAC ¶ 19(l)-(o).) CW12 is alleged to be a former Veritas senior revenue accountant who reported directly to Gladney. (See id. ¶ 19(l).) Although plaintiffs allege that CW12 had familiarity with certain aspects of Veritas’ accounting procedures,3 (see id. ¶¶ 62-63), there is no allegation CW12 had any knowledge of any accounting decisions relating to the AOL transaction.

CW13 is alleged to have worked as a financial report accountant in Veritas’ finance department from 4Q00 through the spring of 2003. (See id. ¶ 19(m).) Plaintiffs allege that, according to CW13, KPMG “discovered one of the earlier versions of the AOL transaction” and “ultimately determined” that the deal was not in compliance with SOP 97-2. (See id. ¶ 99.) It is undisputed that the initial accounting of the AOL transaction was erroneous.

Plaintiffs’ allegation that KPMG “ultimately determined” that the accounting was erroneous

3 Plaintiffs’ allegation that CW12 witnessed and participated in improper accounting of maintenance revenue in unspecified transactions at unspecified times, (see FAC ¶ 62(f)), does not come close to alleging fraud with the specificity required under the PSLRA.
provides no basis for an inference that the erroneous accounting was made with scienter. Plaintiffs do not allege that CW13 had any knowledge of the accounting decisions made with respect to the AOL transaction, let alone such knowledge from which one could infer that those decisions were made with intent to defraud or with deliberate recklessness.

CW14 is alleged to have been a Veritas account executive from November 2000 through the spring of 2001. (See id. ¶ 19(n).) According to plaintiffs, CW14 can attest that the senior management at Veritas, and particularly Sallaberry, had a “hands on approach to large deals.” (See id. ¶ 71(m).) There is no allegation, however, that CW14 has any personal knowledge of any accounting decisions made by Veritas, much less any knowledge with respect to the particular AOL transaction at issue in this lawsuit.

CW15 is alleged to be a former Veritas director of marketing programs. (See id. ¶ 19(o).) According to plaintiffs, CW15 can attest that Mark Griffiths, Veritas’ Vice President of Corporate Marketing, and Doug Roseborough, Veritas’ Senior Vice President of Product Marketing, told CW15 that Veritas was advertising on AOL as a quid pro quo for software and services purchased by AOL. (See id. ¶ 71(c).) As the Court has previously noted, however, there is nothing intrinsically fraudulent about barter-type transactions. GAAP specifically provides for methods of accounting for them, as plaintiffs acknowledge in their complaint. (See id. ¶ 128.) Plaintiffs have not alleged that CW15 has any personal knowledge of accounting decisions with respect to the AOL transaction from which the Court could infer that those decisions, which were later determined to be erroneous, were made with intent to defraud, or deliberate recklessness, at the time they were made.

Finally, plaintiffs seek to allege scienter by alleging defendants engaged in obvious accounting improprieties. An inference of scienter may be raised when facts are alleged showing that the accounting decisions at issue were “such an extreme departure from reasonable accounting practice that [the defendant] knew or had to have known that its conclusions would mislead investors.” See DSAM, 288 F.3d at 391 (internal quotation and citation omitted). Here, plaintiffs allege that Veritas falsely assured investors that its revenue recognition practices were in compliance with GAAP, and in particular, with SOP
Plaintiffs contend that Veritas' accounting for the AOL transaction was fraudulent because GAAP requires "that revenue from multiple element software transactions be based on vendor-specific objective evidence of fair value," and that "Veritas had to have vendor-specific objective evidence of fair value for each part of the transaction." (See id. ¶¶ 7, 24, 50.¶¶ 53, 61; see also id. ¶¶ 125-26 (alleging that "Veritas needed an objective basis to establish the fair value of each element of the AOL transaction").) Plaintiffs allege that Veritas lacked such evidence when it valued the components of the AOL transaction. (See id. ¶ 4.)

Defendants correctly point out that Veritas, in its Forms 10-K, informed investors that it applies SOP 97-2, as amended by SOP 98-4 and 98-9, and that it recognizes license revenue "using the residual method in accordance with SOP 98-9." (See Main Decl., Ex. A at 23, Ex. C at 25, Ex. D at 57.) As explained below, contrary to plaintiffs' allegations, accounting under the residual method does not require vendor-specific objective evidence of the value of each component of the transaction.

SOP 97-2 provides guidance on applying GAAP to software transactions. (See Main Decl., Ex. J at SOP 97-2.01.) According to SOP 97-2, if a software transaction "includes multiple elements, the fee should be allocated to the various elements based on vendor-specific objective evidence of fair value, regardless of any separate prices stated within the contract for each element." (See id. at SOP 97-2.10.) Generally, "[i]f sufficient vendor-specific objective evidence does not exist for the allocation of revenue to the various

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4 As noted above, the Court takes judicial notice only that these statements were made, and does not accept the truth of the statements.

5 Plaintiffs argue that the Court cannot consider defendants' arguments to the extent such are based on the application of accounting rules because, according to plaintiffs, any such argument is necessarily fact-based and thus improper to consider in ruling on a motion to dismiss. Plaintiffs, however, have alleged the specific accounting rules that Veritas allegedly violated. In ruling on a motion to dismiss, the Court may consider documents whose contents are alleged in the complaint, and whose authenticity no party questions, but which are not physically attached to the pleading. See Branch v. Tunnell, 14 F.3d at 454. Although the Court can imagine instances in which expert testimony might be necessary to interpret an accounting rule, the arguments addressed herein are based entirely on the plain language of the relevant rules.
elements of the arrangement, all revenue from the arrangement should be deferred until
the earlier of the point at which (a) such vendor-specific objective evidence does exist or (b)
all elements of the arrangement have been delivered.” (See id. at SOP 97-2.12.)
SOP 98-9 amended the above-quoted section of SOP 97-2, however, for transactions
entered into in fiscal years beginning after March 15, 1999, to allow earlier recognition of
revenue, under certain circumstances, where vendor-specific objective evidence does not
exist for certain components of the transaction. (See id.) In particular, where “there is
vendor-specific objective evidence of the fair values of all undelivered elements in an
arrangement but vendor-specific objective evidence of fair value does not exist for one or
more of the delivered elements in the arrangement” and, in addition, “(a) all other
applicable revenue recognition criteria in [SOP 97-2] are met and (b) the fair value of all the
undelivered elements is less than the arrangement fee,” then the “residual method” of
accounting for the transaction may be used. (See id. at SOP 97-2.12 (emphasis in
original).) “Under the residual method, the arrangement fee is recognized as follows: (a)
the total fair value of the undelivered elements, as indicated by vendor-specific objective
evidence, is deferred and (b) the difference between the total arrangement fee and the
amount deferred for the undelivered elements is recognized as revenue related to the
delivered elements.” (See id.) SOP 98-9 was adopted to address the situation where
software and support services are always sold together so that there is no vendor-specific
objective evidence of the value of each of the separate components of the transaction.
(See id., Ex. K (SOP 98-9.14).)
Thus, as defendants correctly note, GAAP permits recognition of revenue under
certain circumstances, pursuant to the residual method set forth in SOP 98-9, even if
defendants lacked vendor-specific objective evidence of the value of some of the
components of the transaction. In addition, as defendants correctly point out, SOP 97-2
and 98-9 provide no guidance as how to account for a two-way contemporaneous
transaction in which one party agrees to purchase goods or services in exchange for the
selling party’s agreement to purchase goods or services from the first party. Plaintiffs
themselves allege that such a transaction is governed by Accounting Principles Board Opinion No. 29 ("APB No. 29"), "Accounting for Nonmonetary Transactions." (See FAC ¶ 128.) According to plaintiffs, "accounting for nonmonetary or barter transactions should be based on the fair values of the assets or services involved." (See id.) The plain language of APB No. 29 recognizes, however, that in some circumstances, fair values cannot be determined, and yet APB No. 29 provides for a method of accounting for such a transaction: "If neither the fair value of a nonmonetary asset transferred nor the fair value of a nonmonetary asset received in exchange is determinable within reasonable limits, the recorded amount of the nonmonetary asset transferred from the enterprise may be the only available measure of the transaction." (See Main Decl., Ex. H, APB No. 29 ¶ 26.) Consequently, plaintiffs' allegations that Veritas "had to have vendor-specific objective evidence of fair value for each part of the transaction," (see FAC ¶¶ 53, 61) and that Veritas "needed an objective basis to establish the fair value of each element of the AOL transaction," see id. ¶ 126, are not sufficient to plead an extreme departure from GAAP such that defendants must have been aware of the impropriety of their accounting decisions, see DSAM, 288 F.3d at 391, because the GAAP provisions that plaintiffs claim Veritas violated do not require evidence of fair value for each element of the transaction under all circumstances. In short, plaintiffs do not explain how Veritas' accounting of the AOL transaction falls outside the exceptions, as set forth in SOP 98-9 or APB No. 29, to the general rule requiring revenue recognition to be deferred in the absence of vendor-specific objective evidence of fair value for each component of the transaction.

Plaintiffs have not otherwise amended their previous allegations in any material way, and, for the reasons discussed above, plaintiffs have failed to set forth facts from which the Court may infer that it is more likely that Veritas committed accounting fraud than that it innocently or negligently committed an accounting error. In sum, plaintiffs' allegations, taken as a whole, do not establish a strong inference of scienter because the allegations do not demonstrate that an inference of fraud is "the most plausible of competing inferences." See Gompper, 298 F.3d at 897 (quoting Helwig, 251 F.3d at 553). Because plaintiffs have
failed to adequately allege scienter, the complaint must be dismissed.\(^6\)

2. Section 20(a)

Plaintiffs also allege a cause of action against the individual defendants for violation of § 20(a) of the Exchange Act, which provides: "Every person who, directly or indirectly, controls any person liable under any provision of this chapter or of any rule or regulation thereunder shall also be liable jointly and severally with and to the same extent as such controlled person to any person to whom such controlled person is liable, unless the controlling person acted in good faith and did not directly or indirectly induce the act or acts constituting the violation or cause of action." 15 U.S.C. § 78t(a). To be liable under § 20(a), defendants also must be liable under another section of the Exchange Act. See Heliotrope General, Inc. v. Ford Motor Co., 189 F.3d 971, 978 (9th Cir. 1999). As plaintiffs

\(^6\) In so ruling, the Court is aware of the district court's decision in In re AOL Time Warner, Inc. Sec. Litig., 2004 U.S. Dist. LEXIS 7917 (S.D.N.Y. May 5, 2004) and sees no conflict therewith. In AOL Time Warner, the district court denied a motion to dismiss a § 10(b) claim against an AOL vice-president based on allegations of his participation in the Veritas transaction. See id. at *89-90. The district court held that the plaintiffs therein had adequately alleged such defendant "consciously misbehaved" because if he "engineered a separate transaction to make it appear that AOL was receiving $20 million in advertising revenue, when in actuality it was giving itself its own money, then [he] has acted fraudulently." See id. at *89-90.

The Court notes, as an initial matter, that even if AOL officers acted with intent to defraud, it does not necessarily follow that Veritas officers also acted with intent to defraud. In addition, the fact that a complaint in one action may adequately plead fraud does not require a finding that a complaint in another action addressing some of the same events also is adequately pleaded. More importantly, the Ninth Circuit has recognized that the Second Circuit applies a lower standard for pleading securities fraud than is applied in the Ninth Circuit. See Silicon Graphics, 183 F.3d at 974. The Second Circuit has declined to adopt the Ninth Circuit's more stringent pleading standards as set forth in Silicon Graphics. See Novak v. Kasaks, 216 F.3d 300, 310 (2d Cir. 2000). The AOL Time Warner decision itself notes that the Second Circuit does not require "great specificity" in allegations of securities fraud, see id. at *56, and that a court in the Second Circuit, in ruling on a motion to dismiss a securities fraud claim, must draw "all reasonable inferences from the complaint's allegations in favor of the plaintiff," see id. at *22.

By contrast, in the Ninth Circuit, plaintiffs in securities fraud actions are required to "plead, in great detail, facts that constitute strong circumstantial evidence of deliberately reckless or conscious misconduct," see Silicon Graphics, 183 F.3d at 974, and the court must consider "all reasonable inferences to be drawn from the allegations, including inferences unfavorable to the plaintiffs," see No. 84 Employer-Teamster Joint Council Pension Trust Fund, 320 F.3d at 938 (quoting Gompper, 298 F.3d at 897). Because the district court in AOL Time Warner did not determine that an inference of fraud is "the most plausible of competing inferences," see Gompper, 298 F.3d at 897 (quoting Helwig, 251 F.3d at 553), there is no inconsistency between this Court's decision and the decision in AOL Time Warner.
have not stated a claim under § 10(b), their claim for violation of § 20(a) also fails. See id.

CONCLUSION

For the reasons stated above:

1. Defendants’ request for judicial notice is GRANTED.

2. Defendants’ motions to dismiss are GRANTED, with leave to amend. Plaintiffs shall file an amended complaint within 21 days of the date of this order, or the complaint will be deemed dismissed with prejudice.

3. This order terminates Docket Nos. 112 and 113.

IT IS SO ORDERED.

Dated: May 19, 2004

/s/ Maxine M. Chesney
MAXINE M. CHESNEY
United States District Judge
RULES and REGULATIONS

SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 210, 228, 229, 240, 249, 270 and 274

[Release Nos. 33-8238; 34-47986; IC-26068; File Nos. S7-40-02; S7-06-03]

RIN 3235-AI66 and 3235-AI79

Management's Report on Internal Control Over Financial Reporting and
Certification of Disclosure in Exchange Act Periodic Reports

Wednesday, June 18, 2003

*36636 AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: As directed by Section 404 of the Sarbanes-Oxley Act of 2002, we are adopting rules requiring companies subject to the reporting requirements of the Securities Exchange Act of 1934, other than registered investment companies, to include in their annual reports a report of management on the company's internal control over financial reporting. The internal control report must include: a statement of management's responsibility for establishing and maintaining adequate internal control over financial reporting for the company; management's assessment of the effectiveness of the company's internal control over financial reporting as of the end of the company's most recent fiscal year; a statement identifying the framework used by management to evaluate the effectiveness of the company's internal control over financial reporting; and a statement that the registered public accounting firm that audited the company's financial statements included in the annual report has issued an attestation report on management's assessment of the company's internal control over financial reporting. Under the new rules, a company is required to file the registered public accounting firm's attestation report as part of the annual report. Furthermore, we are adding a requirement that management evaluate any change in the company's internal control over financial reporting that occurred during a fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting. Finally, we are adopting amendments to our rules and forms under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 to revise the Section 302 certification requirements and to require issuers to provide the certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as exhibits to certain periodic reports.

DATES: Effective Date: August 14, 2003.

Compliance Dates: The following compliance dates apply to companies other than
registered investment companies. A company that is an "accelerated filer," as defined in Exchange Act Rule 12b-2, as of the end of its first fiscal year ending on or after June 15, 2004, must begin to comply with the management report on internal control over financial reporting disclosure requirements in its annual report for that fiscal year. A company that is not an accelerated filer as of the end of its first fiscal year ending on or after June 15, 2004, including a foreign private issuer, must begin to comply with the annual internal control report for its first fiscal year ending on or after April 15, 2005. A company must begin to comply with the requirements regarding evaluation of any material change to its internal control over financial reporting in its first periodic report due after the first annual report required to include a management report on internal control over financial reporting. Companies may voluntarily comply with the new disclosure requirements before the compliance dates. A company must comply with the new exhibit requirements for the certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and changes to the Section 302 certification requirements in its quarterly, semi-annual or annual report due on or after August 14, 2003. To account for the differences between the compliance date of the rules relating to internal control over financial reporting and the effective date of changes to the language of the Section 302 certification, a company's certifying officers may temporarily modify the content of their Section 302 certifications to eliminate certain references to internal control over financial reporting until the compliance date, as further explained in Section III.E. below.

Registered investment companies must comply with the rule and form amendments applicable to them on and after August 14, 2003, except as follows. Registered investment companies must comply with the amendments to Exchange Act Rules 13a-15(a) and 15d-15(a) and Investment Company Act Rule 30a-3(a) that require them to maintain internal control over financial reporting with respect to fiscal years ending on or after June 15, 2004. In addition, a registered investment company's certifying officers may temporarily modify the content of their Section 302 certifications to eliminate certain references to internal control over financial reporting, as further explained in Section II.I. below. Registered investment companies may voluntarily comply with the rule and form amendments before the compliance dates.

FOR FURTHER INFORMATION CONTACT: N. Sean Harrison, Special Counsel, or Andrew D. Thorpe, Special Counsel, Division of Corporation Finance, at (202) 942-2910, or with respect to registered investment companies, Christian Broadbent, Senior Counsel, Division of Investment Management, at (202) 942-0721, or with respect to attestation and auditing issues, Edmund Bailey, Assistant Chief Accountant, Randolph P. Green, Professional Accounting Fellow, or Paul Munter, Academic Accounting Fellow, Office of the Chief Accountant, at (202) 942-4400, U.S. Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

EXHIBIT 33
AU Section 325

Communication of Internal Control Related Matters Noted in an Audit*

* This section has been revised to reflect the amendments and conforming changes necessary due to the issuance of Statement on Auditing Standards No. 78, effective for audits of financial statements for periods beginning on or after January 1, 1997.

(Supersedes AU sections 323 and 642.47-.53)

Source: SAS No. 60; SAS No. 78; SAS No. 87.

See section 9325 for interpretations of this section.

Effective for audits of financial statements for periods beginning on or after January 1, 1989, unless otherwise indicated.

.01 This section provides guidance in identifying and reporting conditions that relate to an entity's internal control observed during an audit of financial statements. It is contemplated that the communication would generally be to the audit committee or to individuals with a level of authority and responsibility equivalent to an audit committee in organizations that do not have one, such as the board of directors, the board of trustees, an owner in an owner-managed enterprise, or others who may have engaged the auditor. For the purpose of this section, the term audit committee is used to refer to the appropriate recipient of the communication. This section also provides guidance on establishing, between the auditor and client, agreed-upon criteria for identifying and reporting additional matters beyond those required by this section.

Reportable Conditions

.02 During the course of an audit, the auditor may become aware of matters relating to internal control that may be of interest to the audit committee. The matters that this section requires for reporting to the audit committee are referred to as reportable conditions. Specifically, these are matters coming to the auditor's attention that, in his judgment, should be communicated to the audit committee because they represent significant deficiencies in the design or operation of internal control, which could adversely affect the organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Such deficiencies may involve aspects of the five internal control components of (a) the control environment, (b) risk assessment, (c) control activities, (d) information and communication, and (e) monitoring. (See paragraph .21 for examples of reportable conditions.) [As amended, effective for audits of financial statements for periods beginning on or after January 1, 1997, by Statement on Auditing Standards No. 78. Revised, April 2002, to reflect conforming changes necessary due to the issuance of Statement on Auditing Standards No. 94.]
1 This section supersedes section 323, Required Communication of Material Weaknesses in Internal Accounting Control, and section 642, Reporting on Internal Accounting Control, paragraphs .47 through .53, and related auditing interpretations. This section does not affect the reporting of material weaknesses noted in an engagement to report on an entity’s internal control.

2 The auditor should also consider matters coming to his attention that relate to interim financial reporting outside the entity in the communication contemplated by this section.

3 Internal control refers to the controls established to provide reasonable assurance that specific entity objectives will be achieved. (See section 319, Consideration of Internal Control in a Financial Statement Audit, for additional key definitions.) [Footnote transferred from paragraph .04 to paragraph .02, February 1997.]

.03 The auditor may also identify matters that, in his judgment, are not reportable conditions as defined in paragraph .02; however, the auditor may choose to communicate such matters for the benefit of management (and other recipients, as appropriate).

Identifying Reportable Conditions

.04 The auditor's objective in an audit of financial statements is to form an opinion on the entity's financial statements taken as a whole. The auditor is not obligated to search for reportable conditions. However, the auditor may become aware of possible reportable conditions through consideration of the components of internal control, application of audit procedures to balances and transactions, or otherwise during the course of the audit. The auditor's awareness of reportable conditions varies with each audit and is influenced by the nature, timing, and extent of audit procedures and numerous other factors, such as an entity's size, its complexity, and the nature and diversity of its business activities. [As amended, effective for audits of financial statements for periods beginning on or after January 1, 1997, by Statement on Auditing Standards No. 78.]

.05 In making the judgment as to which matters are reportable conditions, the auditor should take into consideration various factors relating to the entity, such as its size, complexity and diversity of activities, organizational structure, and ownership characteristics.

.06 The existence of reportable conditions related to internal control design or operation may already be known and, in fact, may represent a conscious decision by management—a decision of which the audit committee is aware—to accept that degree of risk because of cost or other considerations. It is the responsibility of management to make the decisions concerning costs to be incurred and related benefits. Provided the audit committee has acknowledged its understanding and consideration of such deficiencies and the associated risks, the auditor may decide the matter does not need to be reported. Periodically, the auditor should consider whether, because of changes in management, the audit committee, or simply because of the passage of time, it is appropriate and timely to report such matters.

Agreed-Upon Criteria

.07 The auditor and client may discuss internal control and concerns regarding its functioning when making arrangements for the audit. Clients may request the auditor to be alert to matters and to report conditions that go beyond those contemplated by this section. The auditor is not precluded from reporting matters that he views to be of value to management in the absence of any specific request to do so.

.08 Agreed-upon arrangements between the auditor and the client to report conditions noted may include, for example, the reporting of matters of less significance than provided for by this section, the existence of conditions specified by the client, or the results of further investigation of matters noted to identify underlying causes. Under these arrangements, it is possible that the auditor may be requested to visit specific locations, assess specific controls, or undertake specific procedures not otherwise planned.
Reporting—Form and Content

.09 Conditions noted by the auditor that are considered reportable under this section or that are the result of agreement with the client should be reported, preferably in writing. If information is communicated orally, the auditor should document the communication by appropriate memoranda or notations in the working papers.

.10 The report should state that the communication is intended solely for the information and the use of the audit committee, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties. When there are requirements established by governmental authorities to furnish such reports, specific reference to such regulatory authorities may be made.

.11 Any report issued on reportable conditions should—

- Indicate that the purpose of the audit was to report on the financial statements and not to provide assurance on internal control.
- Include the definition of reportable conditions.
- Include the restriction on use as discussed in paragraph .10.

.12 The following is an illustration of the sections of a report encompassing the above requirements.

In planning and performing our audit of the financial statements of the ABC Corporation for the year ended December 31, 19XX, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control. However, we noted certain matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the organization's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

[Include paragraphs to describe the reportable conditions noted.]

This report is intended solely for the information and use of the audit committee (board of directors, board of trustees, or owners in owner-managed enterprises), management, and others within the organization (or specified regulatory agency) and is not intended to be and should not be used by anyone other than these specified parties.

[As amended, effective for reports issued after December 31, 1998, by Statement on Auditing Standards No. 87. Revised, April 2002, to reflect conforming changes necessary due to the issuance of Statement on Auditing Standards No. 94.]

.13 In some circumstances, the auditor may wish to include additional statements in the report regarding the inherent limitations of internal control in general, the specific extent and nature of his consideration of internal control during the audit, or other matters regarding the basis for the comments made.

.14 In a communication that contains both observations deemed by the auditor to be reportable conditions, as defined, and other comments, it may be appropriate to indicate which comments are in each category.

.15 A reportable condition may be of such magnitude as to be considered a material weakness. A
material weakness in internal control is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Although this section does not require that the auditor separately identify and communicate material weaknesses, the auditor may choose or the client may request the auditor to separately identify and communicate as material weaknesses those reportable conditions that, in the auditor's judgment, are considered to be material weaknesses. [As modified, June 1990, by the Audit Issues Task Force.]

.16 The following is an illustration of the sections of a report that may be used when the auditor wishes, or has been requested, to advise the audit committee in writing that one or more reportable conditions have been identified, but none is deemed to be a material weakness.


A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

.17 Because of the potential for misinterpretation of the limited degree of assurance associated with the auditor issuing a written report representing that no reportable conditions were noted during an audit, the auditor should not issue such representations.

.18 Because timely communication may be important, the auditor may choose to communicate significant matters during the course of the audit rather than after the audit is concluded. The decision on whether an interim communication should be issued would be influenced by the relative significance of the matters noted and the urgency of corrective follow-up action.

.19 The provisions in this section should not be viewed as precluding an auditor from communicating to a client a variety of observations and suggestions regarding its activities that go beyond internal control related matters. Such matters may deal with operational or administrative efficiencies, business strategies, and other items of perceived benefit to the client.

Effective Date

.20 This section is effective for audits of financial statements for periods beginning on or after January 1, 1989, with early application permissible.

Appendix

Examples of Possible Reportable Conditions
1. As indicated in paragraph .02 of this section reportable conditions involve matters coming to the auditor’s attention that relate to significant deficiencies in the design or operation of internal control that, in the auditor’s judgment, could adversely affect the organization’s ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

2. The following are examples of matters that may be reportable conditions. They are grouped by categories of conditions and within categories by specific examples of conditions. Certain of these matters may also require communications under the provisions of other statements on auditing standards.

**Deficiencies in internal control design**

- Inadequate overall internal control design
- Absence of appropriate segregation of duties consistent with appropriate control objectives
- Absence of appropriate reviews and approvals of transactions, accounting entries, or systems output
- Inadequate procedures for appropriately assessing and applying accounting principles
- Inadequate provisions for the safeguarding of assets
- Absence of other controls considered appropriate for the type and level of transaction activity
- Evidence that a system fails to provide complete and accurate output that is consistent with objectives and current needs because of design flaws

**Failures in the operation of internal control**

- Evidence of failure of identified controls in preventing or detecting misstatements of accounting information
- Evidence that a system fails to provide complete and accurate output consistent with the entity’s control objectives because of the misapplication of controls
- Evidence of failure to safeguard assets from loss, damage or misappropriation
- Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system
- Evidence of failure to perform tasks that are part of internal control, such as reconciliations not prepared or not timely prepared
- Evidence of willful wrongdoing by employees or management
- Evidence of manipulation, falsification, or alteration of accounting records or supporting documents
- Evidence of intentional misapplication of accounting principles
- Evidence of misrepresentation by client personnel to the auditor
- Evidence that employees or management lack the qualifications and training to fulfill their assigned functions

**Others**

- Absence of a sufficient level of control consciousness within the organization
- Failure to follow up and correct previously identified internal control deficiencies
- Evidence of significant or extensive undisclosed related party transactions
- Evidence of undue bias or lack of objectivity by those responsible for accounting decisions

[Revised, April 2002, to reflect conforming changes necessary due to the issuance of Statement on Auditing Standards No. 94.]