

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

\_\_\_\_\_  
ROBERT VARRENTI, individually and on behalf )  
of all others similarly situated, )

Plaintiff, )

vs. )

ROBERT DICKINSON, EDWARD ROSS, DAVID )  
WITTROCK, JON CASTOR, JOHN FICHTHORN,) )  
J. MICHAEL GULLARD, KENNETH )  
POTASHNER, CALIFORNIA MICRO DEVICES )  
CORPORATION, ON SEMICONDUCTOR )  
CORPORATION, and PAC-10 ACQUISITION )  
CORPORATION, )

Defendants. )

Case No. 1-09-CV-159469

Dept: 8C

Judge: Hon. Joseph H. Huber

Case filed December 17, 2009

**NOTICE OF SETTLEMENT OF CLASS ACTION**

TO: ALL PERSONS WHO WERE THE RECORD OR BENEFICIAL OWNER OF COMMON STOCK OF CALIFORNIA MICRO DEVICES CORPORATION ("CAMD" OR THE "COMPANY") FROM DECEMBER 14, 2009, THROUGH AND INCLUDING THE CONSUMMATION OF THE ACQUISITION OF CAMD BY ON SEMICONDUCTOR CORPORATION ("ONNN") ON JANUARY 27, 2010

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION.

This Notice has been sent to you pursuant to an Order of the Santa Clara County Superior Court (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

This Notice is not an expression of any opinion by the Court about the merits of any of the claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed settlement.

**I. THE LITIGATION**

On December 14, 2009, CAMD entered into an Agreement and Plan of Merger (the "Merger Agreement") with ONNN whereby CAMD would be acquired by ONNN in a cash transaction by means of an all-cash tender offer (the "Tender Offer") and second-step merger valued at approximately \$108 million (together, the "Acquisition").

On December 17, 2009, plaintiff Robert Varrenti filed a lawsuit in the Superior Court of California for Santa Clara County on behalf of holders of CAMD common stock, entitled *Varrenti v. Dickinson, et al.* (Case No. 1-09-CV-759649) (the "California Action"), and naming as defendants CAMD, ONNN, Robert Dickinson, Edward Ross, John Sprague, David Wittrock, David Sear, Jon Castor, John Fichthorn, J. Michael Gullard, Kenneth Potashner, and Pac-10 Acquisition Corporation. On December 30, 2009, plaintiff filed an amended complaint dropping defendants John Sprague and David Sear. The California Action seeks, among other things, injunctive and equitable relief against CAMD, its directors (the "Individual Defendants"), ONNN and Pac-10 Acquisition Corporation ("Pac-10") with respect to the Acquisition.

On December 21, 2009, plaintiff Annemarie Medeiros filed a lawsuit in the Court of Chancery of the State of Delaware (the "Delaware Court") on behalf of holders of CAMD common stock, entitled *Medeiros v. California Micro Devices Corp., et al.* (Docket No. 5159-VCP) (the "Medeiros Action"), and naming as defendants CAMD, ONNN, Robert Dickinson, Edward Ross, David Wittrock, Jon Castor, John Fichthorn, J. Michael Gullard, Kenneth Potashner, and Pac-10. The Medeiros Action seeks,

among other things, injunctive and equitable relief against defendants with respect to the Acquisition. The Medeiros Action subsequently was amended to challenge the disclosures in the Schedule 14D-9 and Schedule TO filed with the Securities Exchange Commission (“SEC”) on December 28, 2009, by CAMD and Pac-10, respectively.

On January 4, 2010, a third action against the same defendants named in the Medeiros Action was filed in the Delaware Court entitled *Israni v. California Micro Devices Corp., et al.* (Docket No. 5181-VCS) (the “Israni Action”). The Israni Action challenged, among other things, the Acquisition as a breach of the Individual Defendants’ fiduciary duties, in addition to the disclosures in the Schedule 14D-9 and Schedule TO filed with the SEC on December 28, 2009, by CAMD and Pac-10, respectively.

The Delaware Court consolidated the Medeiros Action and Israni Action (the “Delaware Action,” and the Delaware Action and California Action collectively will be referred to as the “Actions,” and the plaintiffs in the Actions will be referred to as “Plaintiffs”). The Plaintiffs challenge the Acquisition, including the disclosures in the Schedule 14D-9 and certain terms of the Merger Agreement, alleging, among other things, that the Individual Defendants breached fiduciary duties to the stockholders of CAMD by, among other things, failing to adequately disclose certain material information in the Schedule 14D-9 concerning the Merger, and that CAMD, ONNN and Pac-10 aided and abetted such breaches.

Plaintiffs and their counsel conducted an extensive investigation and discovery regarding their claims for injunctive and other relief. Plaintiffs also engaged in substantial arm’s-length negotiations with Defendants regarding a possible resolution of the Actions. As a result of these negotiations, the parties entered into an agreement-in-principle to resolve the Actions. Thereafter, the parties executed a Memorandum of Understanding (“MOU”), the terms of which were subsequently embodied in a Stipulation of Settlement (the “Stipulation”) effective as of February 18, 2010.

The settlement set forth in the Stipulation reflects the results of the parties’ negotiations and the terms of the MOU. An agreement-in-principle was only reached after arm’s-length negotiations between the parties who were all represented by counsel with extensive experience and expertise in shareholder class action litigation. During the negotiations, all parties had a clear view of the strengths and weaknesses of their respective claims and defenses. Plaintiffs and their counsel have concluded that the additional disclosures provided CAMD shareholders with information sufficient to decide whether to accept the Tender Offer. As a result, Plaintiffs and their counsel believe that the settlement is in the best interest of the Settlement Class.

## **II. TERMS OF THE PROPOSED SETTLEMENT**

1. As a direct result of the prosecution of the Action and the extensive ongoing negotiations between the Settling Parties, a proposed settlement has been reached under the following terms:

(a) CAMD has made additional disclosures concerning the Acquisition by filing an amended Form Schedule 14D-9 with the SEC on or about January 19, 2009. The following additional disclosures were made in the Schedule 14D-9:

- (i) Additional information regarding other strategic alternatives considered by CAMD’s Board of Directors.
- (ii) Additional information regarding Needham & Company’s Selected Transaction Analysis, including the selection of companies used in its analysis.
- (iii) Additional information regarding the risks faced by CAMD going forward and projected financial information.
- (iv) Additional information regarding other potential bidders or alternatives for CAMD.
- (v) Additional information regarding the fees paid to Needham & Company.
- (vi) Additional information regarding the companies used in the Selected Company Analysis.

(b) CAMD or its successor shall be responsible for paying all reasonable costs and expenses incurred in providing notice to the Settlement Class.

2. CAMD has also agreed, subject to the terms of paragraphs 5.1 and 5.2 of the Stipulation, that it (or any successor thereto) and its insurer shall pay, or cause to be paid, to Plaintiffs’ Counsel any Attorneys’ Fee Award as directed by this Court, if and solely to the extent that such Attorneys’ Fee Award does not exceed \$495,000, and subject to consummation of the Acquisition. Notwithstanding anything to the contrary in the Stipulation, in no event shall CAMD or its successors be obliged to pay to Plaintiffs, the Settlement Class or Plaintiffs’ Counsel any amount in excess of \$495,000 for attorneys’ fees, costs and expenses in connection with the Actions (other than those incurred in disseminating the settlement notice pursuant to paragraphs 3.1 and 3.2 of the Stipulation, which notice shall be prepared and mailed at CAMD’s expense), and in no event

shall any Defendant other than CAMD or its successors be obliged to pay any part of the Attorneys' Fee Award or any of Plaintiffs' attorneys' fees, costs and expenses. The settlement, however, is not in any way conditioned on the Court granting an Attorneys' Fee Award, whether in the amount agreed upon or any particular amount.

3. The Settling Parties agree, for purposes of this settlement only, to the certification of a Settlement Class under § 382 of the California Code of Civil Procedure.

### **III. REASONS FOR THE SETTLEMENT**

The Plaintiffs believe that the claims asserted in the Actions have merit. However, Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Actions against the Defendants through trial and through appeals. Counsel for the Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as these Actions, as well as the difficulties and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the claims asserted in the Actions. Plaintiffs' Counsel believe that the settlement set forth in this Stipulation confers substantial benefits upon the Settlement Class. Based on their evaluation, Plaintiffs' Counsel have determined that the settlement set forth in this Stipulation is in the best interests of the Plaintiffs and the Settlement Class.

The Defendants have vigorously denied, and continue to vigorously deny, any wrongdoing or liability with respect to all claims asserted in the Actions, including that they have committed any violations of law, that they have acted improperly in any way, that they have any liability or owe any damages of any kind to the Plaintiffs and the Members of the Settlement Class, but Defendants entered into the MOU and the Stipulation solely because they consider it desirable that the Actions be settled and dismissed with prejudice in order to (i) eliminate the burden, inconvenience, expense, risk and distraction of further litigation, (ii) finally put to rest and terminate all the claims which were or could have been asserted against the Defendants in the Actions, and (iii) thereby permit the Acquisition to proceed without risk of injunctive or other relief.

### **IV. NOTICE OF HEARING ON PROPOSED SETTLEMENT**

A settlement hearing will be held on July 23, 2010, at 9:00 a.m., before the Honorable Joseph Huber, Superior Court Judge, at the Santa Clara County Superior Court, Downtown Superior Court, 191 N. First Street, San Jose, CA 95113 (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine: (a) whether the settlement should be approved as fair, reasonable, and adequate; and (b) whether the Judgment should be entered. The Court may adjourn or continue the Settlement Hearing without further notice of any kind.

### **V. DEFINITIONS USED IN THIS NOTICE**

1. "Acquisition" means the Merger Agreement and any amendments thereto among CAMD and ONNN whereby CAMD would be acquired by ONNN in a cash transaction by means of an all-cash tender offer and second-step merger valued at approximately \$108 million.

2. "Attorneys' Fee Award" means any award of attorneys' fees, costs and expenses ordered by the Court in the California Action.

3. "California Counsel" means Levi & Korsinsky, LLP, David E. Bower, 600 Corporate Pointe, Suite 1170, Culver City, CA 90230-0442 and any other counsel who have appeared for plaintiff Robert Varrenti in the California Action.

4. "CAMD" means California Micro Devices Corporation and any of its predecessors, successors, parents, subsidiaries, divisions, or affiliate.

5. "Defendants" means CAMD, ONNN, Robert Dickinson, Edward Ross, David Wittrock, Jon Castor, John Fichthorn, J. Michael Gullard, Kenneth Potashner, and Pac-10.

6. "Defendants' Affiliates" means any of Defendants' respective families, affiliates, parents, or subsidiaries and each and all of their respective past, present or future officers, directors (including specifically, but without limitation, former CAMD directors John Sprague and David Sear, who were named defendants in the original complaint in the California Action), stockholders, members, employees, agents, attorneys, advisors, insurers, accountants, trustees, financial or investment advisors, commercial bankers, persons who provided fairness opinions, investment bankers, associates, representatives, general partners, limited partners, partnerships, heirs, executors, personal representatives, estates, administrators, predecessors, successors and assigns.

7. "Delaware Counsel" means Saxena White P.A., Lester R. Hooker, 2424 North Federal Highway, Suite 257, Boca Raton, FL 33431; Rigrodsky & Long, P.A., Brian D. Long, 919 N. Market Street, Suite 980, Wilmington, DE 19801; and any other counsel who have appeared for plaintiffs Sanjay Israni or Annemarie Medeiros in the Delaware Action.

8. "Effective Date" means the first date by which all of the events and conditions specified in paragraph 6.1 of the Stipulation have been met and have occurred.

9. "Final Approval" means that this Court has entered an order and Judgment in the California Action that is Final, certifies the Settlement Class, dismisses the California Action with prejudice and with each party to bear its own costs (except for the costs set forth in ¶¶ 5.1-5.2 of the Stipulation), and provides for such release language as contained in the Stipulation; provided, however, that Final Approval shall not include (and the Settlement is expressly not conditioned on) the approval of attorneys' fees, costs and expenses of Plaintiffs' Counsel as provided in ¶¶ 5.1-5.2 of the Stipulation and any appeal related thereto.

10. "Individual Defendants" means Robert Dickinson, Edward Ross, David Wittrock, Jon Castor, John Fichthorn, J. Michael Gullard, and Kenneth Potashner.

11. "Judgment" means the judgment to be rendered by this Court, substantially in the form attached hereto as Exhibit B.

12. "ONNN" means ON Semiconductor Corporation and any of its predecessors, successors, parents, subsidiaries, divisions, or affiliates.

13. "Pac-10" means Pac-10 Acquisition Corporation and any of its predecessors, successors, parents, subsidiaries, divisions, or affiliates.

14. "Person" means an individual, corporation, partnership, limited partnership, limited liability company or partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

15. "Plaintiffs" means Robert Varrenti, Annemarie Medeiros, and Sanjay Israni.

16. "Plaintiffs' Counsel" means California Counsel and Delaware Counsel.

17. "Released Claims" shall collectively mean the full and complete discharge, dismissal with prejudice, settlement and release of all claims, rights, demands, suits, matters, issues, actions or causes of action, liabilities, damages, losses, obligations and judgments of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, matured or unmatured, that have been, could have been, or in the future might be asserted in the Actions (including without limitation the California Action and Delaware Action) or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal, state, or foreign law related to the alleged breach of any duty, negligence, violations of the federal securities laws or otherwise), by the Plaintiffs, or by or on behalf of any Member of the Settlement Class, whether in an individual, class, direct, derivative, representative, legal, equitable, or any other type of capacity against all the Defendants (or any one of them) or any of Defendants' Affiliates, whether under state, federal, or foreign law, including but not limited to the federal securities laws (except for the rights conferred by this Settlement), and whether directly, derivatively, representatively or arising in any other capacity, in connection with, or that arise out of, any of the allegations, facts, practices, events, transactions, acts, or claims that were or could have been brought in the Actions, or that arise now or hereafter out of, or that relate in any way to, the acts, facts or the events alleged in the Actions, including without limitation the Supplemental Disclosure, the Schedule 14D-9, the Acquisition and the other transactions contemplated by the Merger Agreement, the negotiation and consideration of the Merger Agreement and the transactions contemplated by the Merger Agreement, including, without limitation, the Merger, and any disclosures relating thereto, and any acts, allegations, facts, matters, events, transactions, occurrences, statements, conduct, representations, misrepresentations or omissions relating to or arising out of the subject matter referred to in the Actions, and the fiduciary and disclosure obligations of any of the Defendants or Defendants' Affiliates with respect to any of the foregoing (whether or not such claims could have been asserted in the Actions); provided, however, that the Released Claims shall not include: (i) the right of any Member of the Settlement Class to seek appraisal rights pursuant to § 262 of the Delaware General Corporation Law, nor (ii) the right of any party to enforce in the Court the terms of the Stipulation.

18. "Released Persons" shall collectively mean Defendants and Defendants' Affiliates.

19. "Settlement Class" means Persons who were record or beneficial holders of the common stock of CAMD at any time during the period beginning on and including December 14, 2009 (the date the Acquisition was publicly announced), through and including January 27, 2010 (the effective date of consummation of the Acquisition), including any and all of their respective legal representatives, heirs, successors, successors in interest, predecessors, predecessors in interest, trustees, executors, administrators, transferees and assigns, and any person or entity acting for or on behalf of, or claiming under, any such foregoing holders, immediate and remote, except for the Defendants.

20. "Settlement Class Member" or "Member of the Settlement Class" mean a Person who falls within the definition of the Settlement Class as set forth in the preceding paragraph.

21. "Settling Parties" means, collectively, each of the Defendants and the Plaintiffs on behalf of themselves and the Members of the Settlement Class.

22. "Supplemental Disclosure" means the disclosures supplemental to those contained in the original Schedule 14D-9 and which were filed by CAMD electronically with the SEC on or about January 19, 2010.

23. "Unknown Claims" means any claim, cause of action, damage or harm which the Plaintiffs and/or Settlement Class Members do not know or suspect to exist at the time of the release of the Released Persons which, if known, might have affected the releasing parties' decision to enter into the release. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, the Plaintiffs shall expressly, and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, waived and relinquished, to the extent applicable, and to the fullest extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Upon the Effective Date, the Plaintiffs and each of the Settlement Class Members shall be deemed to have, and by operation of the Judgment shall have, expressly waived any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, any federal law or regulation, or any principle of common law or international or foreign law, which is similar, comparable or equivalent to California Civil Code § 1542. The Plaintiffs and Settlement Class Members may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but the Plaintiffs shall expressly have and each Settlement Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Settling Parties acknowledge, and the Settlement Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material element of the settlement of which this release is a part.

## **VI. ORDER CERTIFYING A SETTLEMENT CLASS FOR PURPOSES OF SETTLEMENT**

On May 25, 2010, the Court certified the Settlement Class for purposes of settlement as defined above.

## **VII. DISMISSAL AND RELEASES**

If the proposed settlement is approved, the Court will enter the Judgment. The Judgment will release the Released Claims as to the Released Persons.

The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons, and will be barred from asserting any of the Released Claims in the future, unless the settlement is canceled or terminated pursuant to the terms of the Stipulation.

## VIII. CONDITIONS FOR SETTLEMENT; DEFENDANTS' RIGHT TO CANCEL

The settlement is conditioned upon the occurrence of certain events. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; (2) expiration of the time to appeal from or alter or amend the Judgment; and (3) dismissal of the Delaware Action with prejudice. The Stipulation also provides that Defendants have the right to withdraw from the settlement in the event that (i) any court enjoins or otherwise precludes the Acquisition, including the Merger or any of the transactions contemplated by the Merger Agreement, (ii) any claim related to the subject matter of the Actions, the Merger Agreement, the transactions contemplated by the Merger Agreement, including the Merger, or the Released Claims, is commenced or prosecuted against any of the Defendants in any court prior to Final Approval of the settlement, and (following a motion by the Defendants) any such claim is not dismissed with prejudice, or (iii) the Acquisition, including any amendment thereto, is not otherwise successfully completed. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions prior to the settlement.

## IX. THE RIGHT TO BE HEARD AT THE HEARING

Any Settlement Class Member may, but is not required to, enter an appearance in the action and be represented by counsel of his, her or its choice and at his, her or its expense. Any Settlement Class Member who does not enter an appearance will be represented by the attorneys for the Plaintiff listed below. Any Settlement Class Member who objects to any aspect of the settlement, including the Attorneys' Fee Award proposed to the Court, may appear and be heard at the Settlement Hearing. In advance of said hearing, any Settlement Class Member may submit a written notice of objection, mailed or hand delivered such that it is received on or before July 9, 2010, to both of the following:

THE HONORABLE JOSEPH H. HUBER  
SANTA CLARA COUNTY SUPERIOR COURT  
Downtown Superior Court  
191 N. First Street  
San Jose, CA 95113

*Attorneys for Plaintiff Robert Varrenti*

LEVI & KORSINSKY, LLP  
DAVID E. BOWER  
600 Corporate Pointe, Suite 1170  
Culver City, CA 90230-7600

Any Settlement Class Member who submits a notice of objection is encouraged, but is not required, to demonstrate the objecting Person's membership in the Settlement Class, and contain a statement of the reasons for objection.

## X. EXCLUSION FROM THE SETTLEMENT CLASS

You may not request to be excluded from the Settlement Class. You may, however, be heard at the hearing as described in Section IX above.

## XI. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP ON BEHALF OF OTHERS

If you hold or held any CAMD common stock at any time from December 14, 2009, through and including January 27, 2010, as nominee for a beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Notice Administrator:

*CAMD Shareholder Litigation*  
Notice Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

If you choose to mail the Notice yourself, you may obtain from the Notice Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Notice Administrator.

## **XII. EXAMINATION OF PAPERS**

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, Santa Clara County Superior Court, Downtown Superior Court, 191 N. First Street, San Jose, CA 95113.

For further information regarding this settlement you may contact: Levi & Korsinsky LLP, Juan E. Monteverde, 30 Broad Street – 15<sup>th</sup> Floor, New York, NY 10004, [www.zlk.com](http://www.zlk.com).

**PLEASE DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE.**

DATED: May 25, 2010

BY ORDER OF THE COURT  
STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

*CAMD Shareholder Litigation*  
Notice Administrator  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

**Important Legal Document.**

**CAMD**