

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

_____, Individually and on Behalf of
All Others Similarly Situated,

Plaintiff,

v.

MAXLINEAR, INC., KISHORE
SEENDRIPU, and STEVEN
LITCHFIELD,

Defendants.

Case No. DRAFT

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

DEMAND FOR JURY TRIAL

Plaintiff _____ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by MaxLinear, Inc. (“MaxLinear” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission

1 (“SEC”); (b) review and analysis of press releases and media reports issued by and
2 disseminated by MaxLinear; and (c) review of other publicly available information
3 concerning MaxLinear.

4 **NATURE OF THE ACTION AND OVERVIEW**

5 1. This is a class action on behalf of persons and entities that purchased or
6 otherwise acquired MaxLinear securities between February 1, 2023 and October 25,
7 2023, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants
8 under the Securities Exchange Act of 1934 (the “Exchange Act”).

9 2. MaxLinear is a hardware company which provides integrated radio
10 frequency analog and mixed-signal integrated circuits products for broadband
11 communications applications. The Company's radio frequency receiver products
12 process broadband signals to be decoded to enable the distribution and display of
13 video and data content in a range of electronic devices.

14 3. On July 26, 2023, after trading hours, MaxLinear announced the
15 financial results of its second fiscal quarter 2023, disclosing net revenue of \$183.9
16 million, which was down 34% year-over-year and down 26% sequentially from the
17 prior quarter. The Company also disclosed in a quarterly report submitted to the SEC,
18 that net revenue decreased “primarily as a result of macroeconomic conditions
19 impacting customer demand, including excess inventory in the channel.”

20 4. On this news, MaxLinear’s stock price fell \$7.06, or 24%, to close at
21 \$22.55 per share on July 27, 2023, on unusually heavy trading volume.

22 5. Then, on October 25, 2023, after trading hours, MaxLinear announced
23 the financial results of its fiscal third quarter 2023, disclosing net revenue of \$135.5
24 million, which was down 53% year-over-year and 26% sequentially from the prior
25 quarter. The Company also announced expected net revenue for the fourth quarter of
26 fiscal 2023 to be in the range of \$115 to \$135 million, significantly down year-over-
27 year. On that day, the Company disclosed in a quarterly report submitted to the SEC
28 that net revenue decreased “primarily as a result of macroeconomic conditions

1 impacting customer demand, including excess inventory in the channel built up
2 following the supply shortages in the prior year.”

3 6. On this news, MaxLinear’s stock price fell \$4.04, or 22%, to close at
4 \$14.36 per share on October 26, 2023, on unusually heavy trading volume.

5 7. Throughout the Class Period, Defendants made materially false and/or
6 misleading statements, as well as failed to disclose material adverse facts about the
7 Company’s business, operations, and prospects. Specifically, Defendants failed to
8 disclose to investors: (1) the Company was experiencing ongoing business setbacks
9 including a build up of excess inventory in the channel; (2) that as a result of ongoing
10 business setbacks including a build up of excess inventory in the channel, the
11 Company would experience significant revenue losses; (3) that as a result ongoing
12 business setbacks including a build up of excess inventory in the channel, the
13 Company would experience significant decline in revenue growth year-over-year; and
14 (4) that, as a result of the foregoing, Defendants’ positive statements about the
15 Company’s business, operations, and prospects were materially misleading and/or
16 lacked a reasonable basis.

17 8. As a result of Defendants’ wrongful acts and omissions, and the
18 precipitous decline in the market value of the Company’s securities, Plaintiff and
19 other Class members have suffered significant losses and damages.

20 **JURISDICTION AND VENUE**

21 9. The claims asserted herein arise under Sections 10(b) and 20(a) of the
22 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated
23 thereunder by the SEC (17 C.F.R. § 240.10b-5).

24 10. This Court has jurisdiction over the subject matter of this action pursuant
25 to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

26 11. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b)
27 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in
28 furtherance of the alleged fraud or the effects of the fraud have occurred in this

1 Judicial District. Many of the acts charged herein, including the dissemination of
2 materially false and/or misleading information, occurred in substantial part in this
3 Judicial District. In addition, the Company’s principal executive offices are in this
4 District.

5 12. In connection with the acts, transactions, and conduct alleged herein,
6 Defendants directly and indirectly used the means and instrumentalities of interstate
7 commerce, including the United States mail, interstate telephone communications,
8 and the facilities of a national securities exchange.

9 **PARTIES**

10 13. Plaintiff _____, as set forth in the accompanying certification,
11 incorporated by reference herein, purchased MaxLinear securities during the Class
12 Period, and suffered damages as a result of the federal securities law violations and
13 false and/or misleading statements and/or material omissions alleged herein.

14 14. Defendant MaxLinear is incorporated under the laws of Delaware with
15 its principal executive offices located in Carlsbad, California. MaxLinear’s common
16 stock trades on the NASDAQ exchange under the symbol “MXL.”

17 15. Defendant Kishore Seendripu (“Seendripu”) was the Chief Executive
18 Officer (“CEO”), Chairman, and President of MaxLinear at all relevant times.

19 16. Defendant Steven Litchfield (“Litchfield”) was the Chief Financial
20 Officer (“CFO”) and Chief Corporate Strategy Officer at MaxLinear at all relevant
21 times.

22 17. Defendants Seendripu and Litchfield (collectively the “Individual
23 Defendants”), because of their positions with the Company, possessed the power and
24 authority to control the contents of the Company’s reports to the SEC, press releases
25 and presentations to securities analysts, money and portfolio managers and
26 institutional investors, i.e., the market. The Individual Defendants were provided with
27 copies of the Company’s reports and press releases alleged herein to be misleading
28 prior to, or shortly after, their issuance and had the ability and opportunity to prevent

1 their issuance or cause them to be corrected. Because of their positions and access to
2 material non-public information available to them, the Individual Defendants knew
3 that the adverse facts specified herein had not been disclosed to, and were being
4 concealed from, the public, and that the positive representations which were being
5 made were then materially false and/or misleading. The Individual Defendants are
6 liable for the false statements pleaded herein.

7 SUBSTANTIVE ALLEGATIONS

8 Background

9 18. MaxLinear is a hardware company which provides integrated radio
10 frequency analog and mixed-signal integrated circuits products for broadband
11 communications applications. The Company's radio frequency receiver products
12 process broadband signals to enable the distribution and display of video and data
13 content in a range of electronic devices.

14 Materially False and Misleading

15 Statements Issued During the Class Period

16 19. The Class Period begins on February 1, 2023. On that day, MaxLinear
17 announced its full fiscal year 2022 and fourth quarter 2022 financial results in a press
18 release that stated, in relevant part¹:

19 Management Commentary

20 In the fourth quarter, we continued our strong execution with revenue up
21 2% sequentially and up 17% year-over-year, bringing fiscal 2022
22 revenues to over \$1 billion. In particular, in Q4, our Wi-Fi business
23 delivered substantial sequential and year-over-year growth. Our
24 connectivity category almost doubled in Q4 year-over-year, driven by
25 our differentiated Wi-Fi6 feature set. Our results included strong cash
26 flows from operations of approximately \$69 million in Q4 and
approximately \$389 million for the full year. *Over the last two years, we
have delivered transformative growth and strong financials while
balancing disciplined expense management along with investments in
technology innovation. Now, as we enter 2023, we have conviction in
our strong long-term growth prospects, owing to our developing
technology leadership, accelerating design-win momentum, and*

27 ¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all
28 footnotes are omitted.

1 *expanding target markets, including Wi-Fi, fiber access, wireless and*
2 *optical infrastructure.*

3 **First Quarter 2023 Business Outlook**

4 The company expects revenue in the first quarter 2023 to be
5 approximately \$240 million to \$260 million.

6 20. On February 1, 2023, the Company also filed its Annual Report Form
7 10-K for the fiscal year ended December 31, 2022 (“2022 10-K”). The 2022 10-K
8 contained the following narrative regarding financial results:

9 Net revenue increased \$227.9 million to \$1.1 billion for the year ended
10 December 31, 2022, as compared to \$892.4 million for the year ended
11 December 31, 2021. *The increase in broadband net revenue of \$0.8*
12 *million was primarily from gateway revenues. The increase in*
13 *connectivity revenue of \$154.6 million was primarily driven by higher*
14 *Wi-Fi and ethernet revenues as our supply improved and an increase*
15 *in MoCA product shipments. The increase in infrastructure revenues*
16 *of \$16.9 million was primarily driven by an increase in high-*
17 *performance analog, wireless access and wireless backhaul shipments.*
18 *The increase in industrial and multi-market revenue of \$55.6 million*
19 *was related to increased shipments of high-performance analog and*
20 *component products.*

21 21. The 2022 10-K reported the following financial results:

	<i>Net Revenue</i>			
	Year Ended December 31,			%
	2022	2021	\$ Change	Change
	(dollars in thousands)			
Broadband	\$ 493,232	\$492,482	\$ 750	— %
% of net revenue	44 %	55 %		
Connectivity	303,925	149,285	154,640	104 %
% of net revenue	27 %	17 %		
Infrastructure	136,274	119,421	16,853	14 %
% of net revenue	12 %	13 %		
Industrial and multi-market	186,821	131,210	55,611	42 %
% of net revenue	17 %	15 %		
Total net revenue	<u>\$1,120,252</u>	<u>\$892,398</u>	<u>\$227,854</u>	26 %

22. The 2022 10-K reported the following details of the Company’s “Finite-lived Intangible Assets” including backlog (amounts in thousands):

	Weighted Average Useful Life (in Years)	December 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Licensed technology	6.9	\$ 21,764	\$ (580)	\$ 21,184
Developed technology	6.9	311,261	(228,532)	82,729
Trademarks and trade names	6.2	14,800	(13,461)	1,339
Customer relationships	5.0	128,800	(124,807)	3,993
Backlog	5.3	500	(429)	71
	6.1	\$ 477,125	\$ (367,809)	\$ 109,316

23. On April 26, 2023, MaxLinear announced its fiscal first quarter 2023 financial results in a press release that stated, in relevant part:

Net revenue was \$248.4 million, down 15% sequentially and down 6% year-over-year.

* * *

“In the first quarter, we delivered \$248.4 million in revenues, improved our gross margins, and generated strong cash flow from operations of approximately \$42 million. Our infrastructure category was strongly up 46% sequentially and 40% year over year, primarily driven by the expanding roll-out of multi-band millimeter wave and microwave 5G wireless backhaul platform solutions.

* * *

“Even as we navigate a challenging demand environment with fiscal discipline and operational efficiency, our solid execution and innovative product offerings are enabling us to maximize strategic business opportunities across all our end markets. In 2023, we continue to lay important groundwork in Wi-Fi, fiber broadband access gateways, and wireless and optical datacenter network infrastructure, which will be the foundation for our growth later this year and throughout 2024,” commented Kishore Seendripu, Ph.D., Chairman and CEO.

Second Quarter 2023 Business Outlook

1 The company expects net revenue in the second quarter of 2023 to be
2 approximately \$175 million to \$205 million.

3 24. On April 26, 2023, the Company filed its fiscal quarterly report on Form
4 10-Q with the SEC for the period ended March 31, 2023 (“1Q23 10-Q”). The 1Q23
5 10-Q reported the following revenue:

	Three Months Ended March	
	31,	
	2023	2022
Broadband	\$ 81,681	\$ 134,556
% of net revenue	33 %	51 %
Connectivity	66,268	60,179
% of net revenue	27 %	23 %
Infrastructure	46,302	33,181
% of net revenue	18 %	12 %
Industrial and multi-market	54,191	36,011
% of net revenue	22 %	14 %
Total net revenue	\$ 248,442	\$ 263,927

6
7
8
9
10
11
12
13
14 25. The 1Q23 10-Q stated the following concerning revenue derived from
15 contract liabilities:

16 ***Contract Liabilities***

17 ***As of March 31, 2023 and December 31, 2022, customer contract***
18 ***liabilities were approximately \$1.1 million and \$1.1 million,***
19 ***respectively, and consisted primarily of advanced payments received***
20 ***for which performance obligations have not been completed.*** Revenue
21 recognized in each of the three months ended March 31, 2023 and 2022
22 that was included in the contract liability balance as of the beginning of
23 each of those respective periods was immaterial.
24
25
26
27
28

26. The 1Q23 10-Q reported the following details of the Company’s “Finite-lived Intangible Assets” including backlog (amounts in thousands):

	Weighted Average Useful Life (in Years)	March 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Licensed technology	6.9	\$ 19,187	\$ (717)	\$ 18,470
Developed technology	6.9	311,261	(237,854)	73,407
Trademarks and trade names	6.2	14,800	(14,001)	799
Customer relationships	5.0	128,800	(125,192)	3,608
Backlog	5.3	500	(432)	68
	6.1	\$ 474,548	\$ (378,196)	\$ 96,352

27. The above statements identified in ¶ 19-26 were materially false and/or misleading, and failed to disclose material adverse facts about the Company’s business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) the Company was experiencing ongoing business setbacks including a build up of excess inventory in the channel; (2) that as a result of ongoing business setbacks including a build up of excess inventory in the channel, the Company would experience significant revenue losses; (3) that as a result ongoing business setbacks including a build up of excess inventory in the channel, the Company would experience significant decline in revenue growth year-over-year; and (4) that, as a result of the foregoing, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

28. The truth began to emerge on July 26, 2023, after the market closed, when MaxLinear issued a press release announcing its second quarter 2023 financial results (the “2Q23 Press Release”). The 2Q23 Press Release revealed that the Company’s GAAP basis second quarter revenue was \$183.9 million, which was down

1 34% year-over-year and 26% sequentially. The 2Q23 Press Release also announced
2 the Company’s expected third fiscal quarter 2023 to have net revenue of
3 approximately \$125 to 155 million.

4 29. The same day, also after trading hours, the Company filed its quarterly
5 report Form 10-Q with the SEC for the fiscal period ended June 30, 2023 (“2Q23 10-
6 Q”). The 2Q23 disclosed:

7 ***Net revenue decreased \$96.1 million to \$183.9 million for the three***
8 ***months ended June 30, 2023, as compared to \$280.0 million for the***
9 ***three months ended June 30, 2022, primarily as a result of***
10 ***macroeconomic conditions impacting customer demand, including***
11 ***excess inventory in the channel built up following the supply shortages***
12 ***in the prior year.*** The decrease in broadband net revenue of \$85.5 million
13 was primarily from gateway revenues, and to a lesser extent, cable. The
14 decrease in connectivity revenue of \$18.5 million was driven by declines
15 in MoCA, ethernet and Wi-Fi revenues. The increase in infrastructure
16 revenues of \$13.4 million was primarily driven by an increase in wireless
17 backhaul product shipments. The decrease in industrial and multi-market
18 revenue of \$5.4 million was related to decreased shipments of high-
19 performance analog products, partially offset by improved component
20 shipments.

21 Net revenue decreased \$111.6 million to \$432.4 million for the six
22 months ended June 30, 2023, as compared to \$543.9 million for the six
23 months ended June 30, 2022, ***primarily as a result of macroeconomic***
24 ***conditions impacting customer demand, including excess inventory in***
25 ***the channel built up following the supply shortages in the prior year.***
26 The decrease in broadband net revenue of \$138.4 million was primarily
27 from gateway revenues, and to a lesser extent, cable, tuners and satellite.
28 The decrease in connectivity revenue of \$12.4 million was primarily
driven by MoCA and ethernet revenues, partially offset by higher Wi-Fi
revenues. The increase in infrastructure revenues of \$26.5 million was
primarily driven by an increase in wireless backhaul product shipments.
The increase in industrial and multi-market revenue of \$12.7 million was
related to increased shipments of component products, partially offset by
decreased shipments of high-performance analog products.

29 30. The 2Q23 10-Q reported the following revenue from contracts by
30 customers:

	Three Months Ended June 30,	
	2023	2022
	(dollars in thousands)	
Broadband	\$ 53,549	\$ 139,098
% of net revenue	29 %	50 %
Connectivity	37,939	56,400
% of net revenue	21 %	20 %
Infrastructure	49,262	35,889
% of net revenue	27 %	13 %
Industrial and multi-market	43,188	48,622
% of net revenue	23 %	17 %
Total net revenue	\$ 183,938	\$ 280,009

31. The 2Q23 10-Q reported the following details of the Company's "Finite-lived Intangible Assets" including backlog (amounts in thousands):

	Weighted Average Useful Life (in Years)	June 30, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Licensed technology	6.9	\$ 19,300	\$ (934)	\$ 18,366
Developed technology	6.9	311,261	(246,970)	64,291
Trademarks and trade names	6.2	14,800	(14,205)	595
Customer relationships	5.0	128,800	(125,577)	3,223
Backlog	5.3	500	(439)	61
Patents	7.0	4,781	(114)	4,667
	6.1	\$ 479,442	\$ (388,239)	\$ 91,203

32. The 2Q23 10-Q stated the following concerning revenue derived from contract liabilities:

Contract Liabilities

As of June 30, 2023 and December 31, 2022, customer contract liabilities were approximately \$1.8 million and \$1.1 million, respectively, and ***consisted primarily of advanced payments received for which performance obligations have not been completed.*** Revenue recognized in each of the six months ended June 30, 2023 and 2022 that was included in the contract liability balance as of the beginning of each of those respective periods was immaterial.

33. On this news, MaxLinear's stock price fell \$7.06, or 24%, to close at \$22.55 per share on July 27, 2023, on unusually heavy trading volume.

1 **CLASS ACTION ALLEGATIONS**

2 38. Plaintiff brings this action as a class action pursuant to Federal Rule of
3 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
4 entities that purchased or otherwise acquired MaxLinear securities between February
5 1, 2023 and October 25, 2023, inclusive, and who were damaged thereby (the
6 “Class”). Excluded from the Class are Defendants, the officers and directors of the
7 Company, at all relevant times, members of their immediate families and their legal
8 representatives, heirs, successors, or assigns, and any entity in which Defendants have
9 or had a controlling interest.

10 39. The members of the Class are so numerous that joinder of all members
11 is impracticable. Throughout the Class Period, MaxLinear’s shares actively traded
12 on the NASDAQ. While the exact number of Class members is unknown to Plaintiff
13 at this time and can only be ascertained through appropriate discovery, Plaintiff
14 believes that there are at least hundreds or thousands of members in the proposed
15 Class. Millions of MaxLinear shares were traded publicly during the Class Period on
16 the NASDAQ. Record owners and other members of the Class may be identified
17 from records maintained by MaxLinear or its transfer agent and may be notified of
18 the pendency of this action by mail, using the form of notice similar to that
19 customarily used in securities class actions.

20 40. Plaintiff’s claims are typical of the claims of the members of the Class
21 as all members of the Class are similarly affected by Defendants’ wrongful conduct
22 in violation of federal law that is complained of herein.

23 41. Plaintiff will fairly and adequately protect the interests of the members
24 of the Class and has retained counsel competent and experienced in class and
25 securities litigation.

26 42. Common questions of law and fact exist as to all members of the Class
27 and predominate over any questions solely affecting individual members of the Class.
28 Among the questions of law and fact common to the Class are:

1 (a) whether the federal securities laws were violated by Defendants'
2 acts as alleged herein;

3 (b) whether statements made by Defendants to the investing public
4 during the Class Period omitted and/or misrepresented material facts about the
5 business, operations, and prospects of MaxLinear; and

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

8 43. A class action is superior to all other available methods for the fair and
9 efficient adjudication of this controversy since joinder of all members is
10 impracticable. Furthermore, as the damages suffered by individual Class members
11 may be relatively small, the expense and burden of individual litigation makes it
12 impossible for members of the Class to individually redress the wrongs done to them.
13 There will be no difficulty in the management of this action as a class action.

14 **UNDISCLOSED ADVERSE FACTS**

15 44. The market for MaxLinear's securities was open, well-developed and
16 efficient at all relevant times. As a result of these materially false and/or misleading
17 statements, and/or failures to disclose, MaxLinear's securities traded at artificially
18 inflated prices during the Class Period. Plaintiff and other members of the Class
19 purchased or otherwise acquired MaxLinear's securities relying upon the integrity of
20 the market price of the Company's securities and market information relating to
21 MaxLinear, and have been damaged thereby.

22 45. During the Class Period, Defendants materially misled the investing
23 public, thereby inflating the price of MaxLinear's securities, by publicly issuing false
24 and/or misleading statements and/or omitting to disclose material facts necessary to
25 make Defendants' statements, as set forth herein, not false and/or misleading. The
26 statements and omissions were materially false and/or misleading because they failed
27 to disclose material adverse information and/or misrepresented the truth about
28 MaxLinear's business, operations, and prospects as alleged herein.

1 forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt
2 of information reflecting the true facts regarding MaxLinear, their control over, and/or
3 receipt and/or modification of MaxLinear’s allegedly materially misleading
4 misstatements and/or their associations with the Company which made them privy to
5 confidential proprietary information concerning MaxLinear, participated in the
6 fraudulent scheme alleged herein.

7 **APPLICABILITY OF PRESUMPTION OF RELIANCE**
8 **(FRAUD-ON-THE-MARKET DOCTRINE)**

9 50. The market for MaxLinear’s securities was open, well-developed and
10 efficient at all relevant times. As a result of the materially false and/or misleading
11 statements and/or failures to disclose, MaxLinear’s securities traded at artificially
12 inflated prices during the Class Period. On February 1, 2023, the Company’s share
13 price closed at a Class Period high of \$43.24 per share. Plaintiff and other members
14 of the Class purchased or otherwise acquired the Company’s securities relying upon
15 the integrity of the market price of MaxLinear’s securities and market information
16 relating to MaxLinear, and have been damaged thereby.

17 51. During the Class Period, the artificial inflation of MaxLinear’s shares
18 was caused by the material misrepresentations and/or omissions particularized in this
19 Complaint causing the damages sustained by Plaintiff and other members of the Class.
20 As described herein, during the Class Period, Defendants made or caused to be made
21 a series of materially false and/or misleading statements about MaxLinear’s business,
22 prospects, and operations. These material misstatements and/or omissions created an
23 unrealistically positive assessment of MaxLinear and its business, operations, and
24 prospects, thus causing the price of the Company’s securities to be artificially inflated
25 at all relevant times, and when disclosed, negatively affected the value of the
26 Company shares. Defendants’ materially false and/or misleading statements during
27 the Class Period resulted in Plaintiff and other members of the Class purchasing the
28

1 Company's securities at such artificially inflated prices, and each of them has been
2 damaged as a result.

3 52. At all relevant times, the market for MaxLinear's securities was an
4 efficient market for the following reasons, among others:

5 (a) MaxLinear shares met the requirements for listing, and was listed
6 and actively traded on the NASDAQ, a highly efficient and automated market;

7 (b) As a regulated issuer, MaxLinear filed periodic public reports with
8 the SEC and/or the NASDAQ;

9 (c) MaxLinear regularly communicated with public investors via
10 established market communication mechanisms, including through regular
11 dissemination of press releases on the national circuits of major newswire services
12 and through other wide-ranging public disclosures, such as communications with the
13 financial press and other similar reporting services; and/or

14 (d) MaxLinear was followed by securities analysts employed by
15 brokerage firms who wrote reports about the Company, and these reports were
16 distributed to the sales force and certain customers of their respective brokerage firms.
17 Each of these reports was publicly available and entered the public marketplace.

18 53. As a result of the foregoing, the market for MaxLinear's securities
19 promptly digested current information regarding MaxLinear from all publicly
20 available sources and reflected such information in MaxLinear's share price. Under
21 these circumstances, all purchasers of MaxLinear's securities during the Class Period
22 suffered similar injury through their purchase of MaxLinear's securities at artificially
23 inflated prices and a presumption of reliance applies.

24 54. A Class-wide presumption of reliance is also appropriate in this action
25 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United States*,
26 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded on
27 Defendants' material misstatements and/or omissions. Because this action involves
28 Defendants' failure to disclose material adverse information regarding the Company's

1 business operations and financial prospects—information that Defendants were
2 obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All
3 that is necessary is that the facts withheld be material in the sense that a reasonable
4 investor might have considered them important in making investment decisions.
5 Given the importance of the Class Period material misstatements and omissions set
6 forth above, that requirement is satisfied here.

7
8 **NO SAFE HARBOR**

9 55. The statutory safe harbor provided for forward-looking statements under
10 certain circumstances does not apply to any of the allegedly false statements pleaded
11 in this Complaint. The statements alleged to be false and misleading herein all relate
12 to then-existing facts and conditions. In addition, to the extent certain of the
13 statements alleged to be false may be characterized as forward looking, they were not
14 identified as “forward-looking statements” when made and there were no meaningful
15 cautionary statements identifying important factors that could cause actual results to
16 differ materially from those in the purportedly forward-looking statements. In the
17 alternative, to the extent that the statutory safe harbor is determined to apply to any
18 forward-looking statements pleaded herein, Defendants are liable for those false
19 forward-looking statements because at the time each of those forward-looking
20 statements was made, the speaker had actual knowledge that the forward-looking
21 statement was materially false or misleading, and/or the forward-looking statement
22 was authorized or approved by an executive officer of MaxLinear who knew that the
23 statement was false when made.

24 **FIRST CLAIM**

25 **Violation of Section 10(b) of The Exchange Act and**

26 **Rule 10b-5 Promulgated Thereunder**

27 **Against All Defendants**

28 56. Plaintiff repeats and re-alleges each and every allegation contained
above as if fully set forth herein.

1 57. During the Class Period, Defendants carried out a plan, scheme and
2 course of conduct which was intended to and, throughout the Class Period, did: (i)
3 deceive the investing public, including Plaintiff and other Class members, as alleged
4 herein; and (ii) cause Plaintiff and other members of the Class to purchase
5 MaxLinear's securities at artificially inflated prices. In furtherance of this unlawful
6 scheme, plan and course of conduct, Defendants, and each defendant, took the actions
7 set forth herein.

8 58. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
9 made untrue statements of material fact and/or omitted to state material facts
10 necessary to make the statements not misleading; and (iii) engaged in acts, practices,
11 and a course of business which operated as a fraud and deceit upon the purchasers of
12 the Company's securities in an effort to maintain artificially high market prices for
13 MaxLinear's securities in violation of Section 10(b) of the Exchange Act and Rule
14 10b-5. All Defendants are sued either as primary participants in the wrongful and
15 illegal conduct charged herein or as controlling persons as alleged below.

16 59. Defendants, individually and in concert, directly and indirectly, by the
17 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
18 and participated in a continuous course of conduct to conceal adverse material
19 information about MaxLinear's financial well-being and prospects, as specified
20 herein.

21 60. Defendants employed devices, schemes and artifices to defraud, while in
22 possession of material adverse non-public information and engaged in acts, practices,
23 and a course of conduct as alleged herein in an effort to assure investors of
24 MaxLinear's value and performance and continued substantial growth, which
25 included the making of, or the participation in the making of, untrue statements of
26 material facts and/or omitting to state material facts necessary in order to make the
27 statements made about MaxLinear and its business operations and future prospects in
28 light of the circumstances under which they were made, not misleading, as set forth

1 more particularly herein, and engaged in transactions, practices and a course of
2 business which operated as a fraud and deceit upon the purchasers of the Company's
3 securities during the Class Period.

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

18 62. Defendants had actual knowledge of the misrepresentations and/or
19 omissions of material facts set forth herein, or acted with reckless disregard for the
20 truth in that they failed to ascertain and to disclose such facts, even though such facts
21 were available to them. Such defendants' material misrepresentations and/or
22 omissions were done knowingly or recklessly and for the purpose and effect of
23 concealing MaxLinear's financial well-being and prospects from the investing public
24 and supporting the artificially inflated price of its securities. As demonstrated by
25 Defendants' overstatements and/or misstatements of the Company's business,
26 operations, financial well-being, and prospects throughout the Class Period,
27 Defendants, if they did not have actual knowledge of the misrepresentations and/or
28 omissions alleged, were reckless in failing to obtain such knowledge by deliberately

1 refraining from taking those steps necessary to discover whether those statements
2 were false or misleading.

3 63. As a result of the dissemination of the materially false and/or misleading
4 information and/or failure to disclose material facts, as set forth above, the market
5 price of MaxLinear's securities was artificially inflated during the Class Period. In
6 ignorance of the fact that market prices of the Company's securities were artificially
7 inflated, and relying directly or indirectly on the false and misleading statements made
8 by Defendants, or upon the integrity of the market in which the securities trades,
9 and/or in the absence of material adverse information that was known to or recklessly
10 disregarded by Defendants, but not disclosed in public statements by Defendants
11 during the Class Period, Plaintiff and the other members of the Class acquired
12 MaxLinear's securities during the Class Period at artificially high prices and were
13 damaged thereby.

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

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

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

28

1 **SECOND CLAIM**

2 **Violation of Section 20(a) of The Exchange Act**

3 **Against the Individual Defendants**

4 67. Plaintiff repeats and re-alleges each and every allegation contained
5 above as if fully set forth herein.

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

19 69. In particular, Individual Defendants had direct and supervisory
20 involvement in the day-to-day operations of the Company and, therefore, had the
21 power to control or influence the particular transactions giving rise to the securities
22 violations as alleged herein, and exercised the same.

23 70. As set forth above, MaxLinear and Individual Defendants each violated
24 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint.
25 By virtue of their position as controlling persons, Individual Defendants are liable
26 pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of
27 Defendants' wrongful conduct, Plaintiff and other members of the Class suffered
28

1 damages in connection with their purchases of the Company's securities during the
2 Class Period.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

5 (a) Determining that this action is a proper class action under Rule 23 of the
6 Federal Rules of Civil Procedure;

7 (b) Awarding compensatory damages in favor of Plaintiff and the other
8 Class members against all defendants, jointly and severally, for all damages sustained
9 as a result of Defendants' wrongdoing, in an amount to be proven at trial, including
10 interest thereon;

11 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
12 incurred in this action, including counsel fees and expert fees; and

13 (d) Such other and further relief as the Court may deem just and proper.

14 **JURY TRIAL DEMANDED**

15 Plaintiff hereby demands a trial by jury.
16
17
18
19
20
21
22
23
24
25
26
27
28

1 DATED: _____
2

LAW OFFICES OF HOWARD G. SMITH

By: _____

3 Howard G. Smith
4 3070 Bristol Pike, Suite 112
5 Bensalem PA 19020
6 Telephone: (215) 638-4847
7 Facsimile: (215) 638-4867

GLANCY PRONGAY & MURRAY LLP

8 Robert V. Prongay
9 Charles H. Linehan
10 Pavithra Rajesh
11 1925 Century Park East, Suite 2100
12 Los Angeles, California 90067
13 Telephone: (310) 201-9150
14 Facsimile: (310) 201-9160
15 Email: clinehan@glancylaw.com

Attorneys for Plaintiff

16
17
18
19
20
21
22
23
24
25
26
27
28