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8 **UNITED STATES DISTRICT COURT**  
9 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

10 JERRY SANCHEZ, Individually and on  
11 Behalf of All Others Similarly Situated,

12 Plaintiff,

13 v.

14 IXYS CORPORATION, NATHAN  
15 ZOMMER, UZI SASSON, DONALD L.  
16 FEUCHT, SAMUEL KORY, S. JOON LEE,  
17 TIMOTHY A. RICHARDSON, JAMES M.  
18 THORBURN, and KENNETH D. WONG,

19 Defendants.

Civil Action No. 5:17-cv-6441

**CLASS ACTION COMPLAINT**

**DEMAND FOR JURY TRIAL**

**1. VIOLATIONS OF THE  
SECURITIES EXCHANGE ACT OF  
1934**

20  
21 Jerry Sanchez (“Plaintiff”), by his undersigned attorneys, alleges upon personal knowledge  
22 with respect to himself, and upon information and belief based upon, *inter alia*, the investigation  
23 of counsel as to all other allegations herein, as follows:  
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**NATURE OF THE ACTION**

1  
2 1. This action is brought as a class action by Plaintiff on behalf of himself and the  
3 other public holders of the common stock of IXYS Corporation (“IXYS” or the “Company”)  
4 against IXYS and the members of the Company’s board of directors (collectively, the “Board” or  
5 “Individual Defendants,” and, together with IXYS, the “Defendants”) for their violations of  
6 Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C.  
7 §§ 78n(a), 78t(a), and U.S. Securities and Exchange Commission (“SEC”) Rule 14a-9, 17 C.F.R.  
8 240.14a-9, in connection with the proposed merger (the “Proposed Merger”) between IXYS and  
9 Littelfuse, Inc., through its subsidiary Iron Merger Co. (collectively “Littelfuse”).

10 2. On August 25, 2017, IXYS, entered into a definitive agreement and plan of merger  
11 (the “Merger Agreement”) with the Littelfuse, pursuant to which each IXYS stock holder stands  
12 to receive either (i) \$23.00 in cash (subject to applicable withholding tax), without interest  
13 (referred to as the cash consideration), or (ii) 0.1265 of a share of common stock, par value \$0.01  
14 per share, of Littelfuse (referred to as the stock consideration and together with the cash  
15 consideration, the merger consideration) (the “Merger Consideration”).

16 3. On October 26, 2017, in order to convince IXYS stockholders to vote in favor of  
17 the Proposed Merger, the Board authorized the filing of a materially incomplete and misleading  
18 proxy statement/prospectus on Form S-4 (the “Proxy”) with the SEC.

19 4. While Defendants are touting the fairness of the Merger Consideration to the  
20 Company’s stockholders in the Proxy, they have failed to disclose material information that is  
21 necessary for stockholders to properly assess the fairness of the Proposed Merger, thereby  
22 rendering certain statements in the Proxy incomplete and misleading. In particular, the Proxy  
23 contains materially incomplete and misleading information concerning the valuation analyses  
24 performed by the Company’s financial advisor, Needham & Company, LLC (“Needham”), in  
25 support of its fairness opinion.

26 5. The special meeting of IXYS stockholders to vote on the Proposed Merger is  
27 forthcoming. It is imperative that the material information that has been omitted from the Proxy is  
28

1 disclosed to the Company's stockholders prior to the stockholder vote, so that they can properly  
2 exercise their corporate suffrage rights.

3 6. For these reasons, and as set forth in detail herein, Plaintiff asserts claims against  
4 Defendants for violations of Sections 14(a) and 20(a) of the Exchange Act, and Rule 14a-9.  
5 Plaintiff seeks to enjoin Defendants from holding the stockholder vote on the Proposed Merger  
6 and taking any steps to consummate the Proposed Merger unless and until the material information  
7 discussed below is disclosed to IXYS stockholders, or, in the event the Proposed Merger is  
8 consummated, to recover damages resulting from the Defendants' violations of the Exchange Act.

9 **JURISDICTION AND VENUE**

10 7. This Court has subject matter jurisdiction pursuant to Section 27 of the Exchange  
11 Act (15 U.S.C. § 78aa) and 28 U.S.C. § 1331 (federal question jurisdiction) as Plaintiff alleges  
12 violations of Section 14(a) and 20(a) of the Exchange Act.

13 8. Personal jurisdiction exists over each Defendant either because the Defendant  
14 conducts business in or maintains operations in this District, or is an individual who is either  
15 present in this District for jurisdictional purposes or has sufficient minimum contacts with this  
16 District as to render the exercise of jurisdiction over Defendant by this Court permissible under  
17 traditional notions of fair play and substantial justice.

18 9. Venue is proper in this District under Section 27 of the Exchange Act, 15 U.S.C. §  
19 78aa, as well as under 28 U.S.C. § 1391, because: (i) the conduct at issue took place and had an  
20 effect in this District; (ii) IXYS maintains its primary place of business in this District; (iii) a  
21 substantial portion of the transactions and wrongs complained of herein, including Defendants'  
22 primary participation in the wrongful acts detailed herein, occurred in this District; and (iv)  
23 Defendants have received substantial compensation in this District by doing business here and  
24 engaging in numerous activities that had an effect in this District.

**PARTIES**

1  
2 10. Plaintiff is, and at all relevant times has been, a stockholder of IXYS.

3 11. Defendant IXYS is a Delaware corporation and maintains its headquarters at  
4 1590 Buckeye Drive, Milpitas, California 95035. The Company develops technology-driven  
5 products to improve energy conversion efficiency, generate clean energy, advance automation and  
6 provide solutions for the transportation, medical and telecommunication industries since its  
7 founding in Silicon Valley. IXYS’s common stock trades on the NASDAQ under the ticker symbol  
8 “IXYS”.

9 12. Individual Defendant Nathan Zommer is a director of IXYS and is the Chairman  
10 of the Board, Chief Executive Officer, and Chief Technology Officer of the Company.

11 13. Individual Defendant Uzi Sasson is a director of IXYS and is the President, Chief  
12 Executive Officer, and Chief Financial Officer of the Company.

13 14. Individual Defendant Donald L. Feucht is, and has been at all relevant times, a  
14 director of the Company.

15 15. Individual Defendant Samuel Kory is, and has been at all relevant times, a director  
16 of the Company.

17 16. Individual Defendant S. Joon Lee is, and has been at all relevant times, a director  
18 of the Company.

19 17. Individual Defendant Timothy A. Richardson is, and has been at all relevant times,  
20 a director of the Company.

21 18. Individual Defendant James M. Thorburn is, and has been at all relevant times, a  
22 director of the Company.

23 19. Individual Defendant Kenneth D. Wong is, and has been at all relevant times, a  
24 director of the Company.

25 20. The defendants identified in paragraphs 11-19 are collectively referred to as the  
26 “Defendants”.

**CLASS ACTION ALLEGATIONS**

1  
2 21. Plaintiff brings this class action pursuant to Fed. R. Civ. P. 23 on behalf of himself  
3 and the other public stockholders of IXYS (the “Class”). Excluded from the Class are Defendants  
4 herein and any person, firm, trust, corporation, or other entity related to or affiliated with any  
5 Defendant.

6 22. This action is properly maintainable as a class action because:

7  
8 a. The Class is so numerous that joinder of all members is impracticable. As  
9 of October 16, 2017, there were approximately 32 million shares of IXYS common stock  
10 outstanding, held by hundreds to thousands of individuals and entities scattered throughout  
11 the country. The actual number of public stockholders of IXYS will be ascertained through  
12 discovery;

13 b. There are questions of law and fact that are common to the Class that  
14 predominate over any questions affecting only individual members, including the  
15 following:

16 i) whether Defendants have misrepresented or omitted material  
17 information concerning the Proposed Merger in the Proxy, in  
18 violation of Sections 14(a) of the Exchange Act;

19 ii) whether the Individual Defendants have violated Section 20(a) of  
20 the Exchange Act; and

21 iii) whether Plaintiff and other members of the Class will suffer  
22 irreparable harm if compelled to vote their shares based on the  
23 materially incomplete and misleading Proxy.

24 c. Plaintiff is an adequate representative of the Class, has retained competent  
25 counsel experienced in litigation of this nature, and will fairly and adequately protect the  
26 interests of the Class;



1 provides circuit protection components for overcurrent and overvoltage protection, as well as  
2 sensor components and modules to manufacturers of a range of electronic products. The  
3 Automotive segment provides circuit protection and sensor products to the worldwide automotive  
4 original equipment manufacturers (OEM) and parts distributors of passenger automobiles, trucks,  
5 buses, and off-road equipment. The Industrial Segment provides circuit protection products for  
6 industrial and commercial customers. The Company also offers electronic reed switches and  
7 sensors, automotive sensors for comfort and safety systems, and a range of electromechanical and  
8 electronic switch and control devices for commercial and specialty vehicles.

9         25. On August 28, 2017, IXYS and Littelfuse issued a joint press release announcing  
10 the Proposed Merger. The press release stated in relevant part:

11                 CHICAGO, IL AND MILPITAS, CA, August 28, 2017 – Littelfuse,  
12 Inc. (NASDAQ:LFUS) and IXYS Corporation (NASDAQ:IXYS)  
13 today announced that they have entered into a definitive agreement  
14 under which Littelfuse will acquire all of the outstanding shares of  
15 IXYS in a cash and stock transaction. The transaction represents an  
16 equity value of approximately \$750 million and enterprise value of  
17 \$655 million. (1) Under the terms of the agreement, each IXYS  
18 stockholder will be entitled to elect to receive, per IXYS share,  
19 either \$23.00 in cash or 0.1265 of a share of Littelfuse common  
20 stock, subject to proration. In total, 50% of IXYS stock will be  
21 converted into the cash election option and 50% into the stock  
22 election option.

19                 IXYS is a global pioneer in the power semiconductor and integrated  
20 circuit markets with a focus on medium to high voltage power  
21 control semiconductors across the industrial, communications,  
22 consumer and medical markets. IXYS has a broad customer base,  
23 serving more than 3,500 customers through its direct salesforce and  
24 global distribution partners. IXYS reported revenues of \$322  
25 million in its fiscal 2017 with an adjusted EBITDA margin of  
26 approximately 13.5%.

24                 The combined company is expected to have annual revenues of  
25 approximately \$1.5 billion, with the following compelling strategic  
26 and financial benefits:

- 26                 • Broader technology platform and capability to expand  
27 growth into industrial and electronics markets

- 1 • Increased long-term penetration of power control portfolio  
in automotive markets, expanding global content per vehicle
- 2 • Heightened engineering expertise and intellectual property  
3 around high voltage and silicon carbide semiconductor  
4 technologies
- 5 • Increased presence in the semiconductor industry, adding to  
our scale and volume
- 6 • Strong relationships and complementary overlap in major  
7 global electronics distribution partnerships enabling cross-  
8 selling
- 9 • Immediately accretive to adjusted EPS and free cash flow  
post transaction close (2)
- 10 • Expect to generate more than \$30 million in annualized cost  
11 savings; additional future value created from revenue  
synergies and tax rate reduction

12 “As the largest acquisition in our 90-year history, this is an exciting  
13 milestone for Littelfuse,” said Dave Heinzmann, President and  
14 Chief Executive Officer, Littelfuse. “IXYS’ extensive power  
15 semiconductor portfolio and technology expertise fit squarely  
16 within our strategy to accelerate our growth within power control  
and industrial OEM markets. The combination of Littelfuse and  
IXYS unites complementary capabilities, cultures and  
relationships.”

17 “IXYS will operate as the cornerstone of the combined companies’  
18 power semiconductor business,” said Dr. Nathan Zommer,  
19 Chairman and Chief Executive Officer of IXYS. “Both Littelfuse  
20 and IXYS have long histories of innovation and customer-focused  
21 product development, and together, we will embrace the  
entrepreneurial spirit that has contributed to IXYS’ success in the  
power semiconductor and integrated circuits market.”

22 “The combination of IXYS and Littelfuse creates a stronger player  
23 in the power semiconductor industry, with the ability to leverage our  
24 collective resources and portfolio to create increased value for our  
25 customers,” added Uzi Sasson, President and Chief Executive  
26 Officer of IXYS. “We believe that being a part of a world-class  
organization like Littelfuse will provide a bright future for IXYS and  
the talented people at our respective companies.”

27 Transaction Highlights



1 The transaction is expected to be immediately accretive to  
2 Littelfuse's adjusted earnings per share and free cash flow in the first  
3 full year post transaction close, excluding any acquisition and  
4 integration related costs. Littelfuse expects to achieve more than \$30  
5 million of annualized cost savings within the first two years after  
6 closing the transaction. Longer term, the combination is also  
7 expected to create significant revenue synergy opportunities given  
8 the companies' complementary offerings, as well as benefits from  
9 future tax rate reduction.

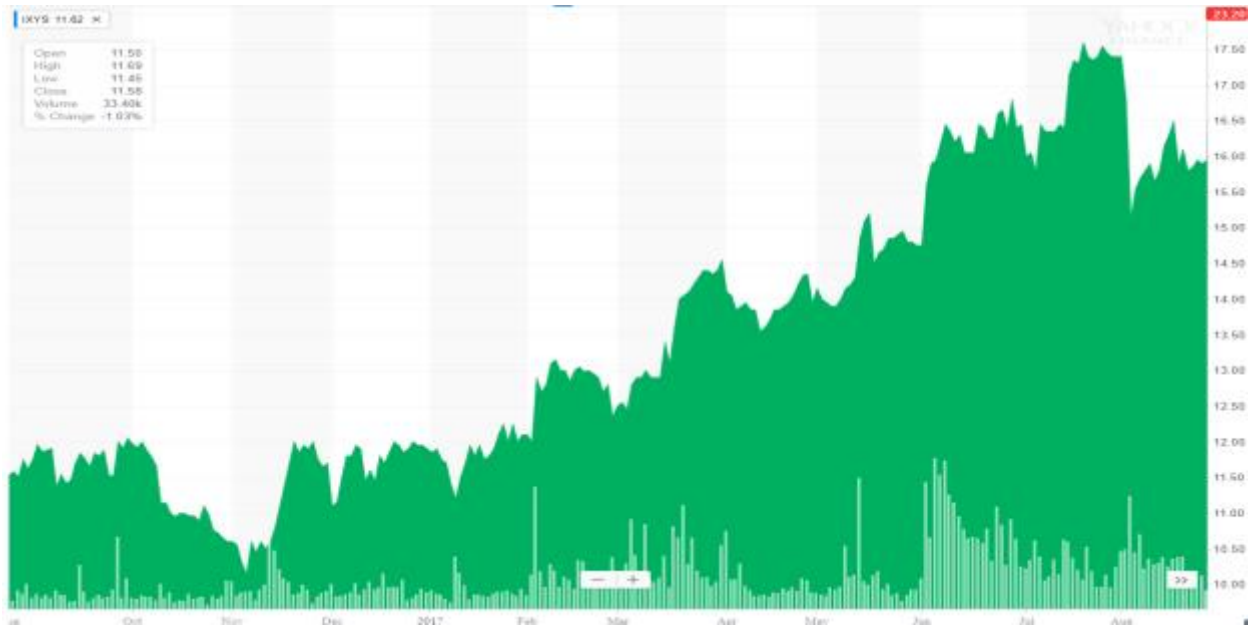
10 In conjunction with the definitive agreement, Dr. Nathan Zommer,  
11 IXYS founder and currently the company's largest stockholder with  
12 approximately 21% ownership, has entered into a voting and support  
13 agreement. Subject to the agreement's terms and conditions, he has  
14 agreed to vote his shares in favor of the transaction. After close of  
15 the transaction, Dr. Zommer is expected to join Littelfuse's Board  
16 of Directors, subject to the board's governance and approval  
17 process. His technical skills and extensive experience across the  
18 semiconductor industry will benefit the combined company with its  
19 integration efforts, innovation roadmap and revenue expansion.

20 The transaction is expected to close in the first calendar quarter of  
21 2018 and is subject to the satisfaction of customary closing  
22 conditions, including regulatory approvals and approval by IXYS  
23 stockholders. Littelfuse expects to finance the cash portion of the  
24 transaction consideration through a combination of existing cash  
25 and additional debt.

26 **II. The Merger Consideration Fails to Fairly Compensate IXYS Shareholders**

27 26. The Merger Consideration is inadequate given IXYS' recent financial performance  
28 and strong growth prospects.

1 27. In the year leading up to the announcement of the Proposed Merger, IXYS' stock  
 2 price increased nearly 40% going from \$11.53 on August 25, 2016 to \$15.95 on August 25, 2017,  
 3 as illustrated by the chart below:



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14 28. On June 2, 2017, the Company announced positive financial results for the quarter  
15 and year. Net revenues were \$322.1 million, an increase of \$4.9 million, or 1.5%, as compared to  
16 \$317.2 million in the prior fiscal year. Gross profit for the twelve months ended March 31, 2017  
17 was \$105.6 million, or 32.8% of net revenues, as compared to gross profit of \$99.8 million, or  
18 31.4% of net revenues, for the prior fiscal year. Net income was \$21.3 million, an increase of \$6.6  
19 million, or 44.8%, as compared to the prior fiscal year. Adjusted EBITDA, which excludes the  
20 impact of charges for the amortization and impairment of acquired intangible assets and stock  
21 compensation, was \$46.9 million for the fiscal year ended March 31, 2017. CEO and CFO Sasson  
22 announced:

23 Efforts to increase gross margins are bearing fruit as evidenced by  
 24 three consecutive quarters of growth in margins. Higher net  
 25 revenues reflect strengthening demand for our products. In  
 26 particular, our power product sales have been boosted by demand in  
 27 the industrial market. Our backlog looks healthy for the coming  
 28 quarters. We are pleased with IXYS' financial metrics for the March  
 2017 quarter and will work diligently to continue this positive trend  
 in the quarters ahead. Much will be dependent on global market  
 growth and the resumption of customer buying trends. Therefore,

1 we expect revenues in the June 2017 quarter to increase 2-3% from  
2 the March 2017 quarter.

3 Zommer added:

4 We implemented strategic directives that mirrored global market  
5 dynamics, which resulted in improved product focus, an increased  
6 rate of investment and better financial results. We have 2 taken  
7 actions in recent years to strengthen IXYS financially, bolstering our  
8 cash position for opportunistic, organic and acquisitive growth. We  
9 have also concentrated on efforts to increase our stockholders  
10 equity.

11 29. In sum, the Merger Consideration appears to inadequately value IXYS. Given the  
12 Company's strong financial results and growth potential, it appears that the Merger Consideration  
13 is not fair compensation for IXYS shareholders. It is therefore imperative that the Company's  
14 shareholders receive the material information (discussed in detail below) that Defendants have  
15 omitted from the Proxy, which is necessary for shareholders to properly exercise their corporate  
16 suffrage rights and make an informed decision concerning whether to vote in favor of the Proposed  
17 Merger.

### 18 **III. The Merger Agreement's Deal Protection Provisions Deter Superior Offers**

19 30. The Individual Defendants agreed to certain deal protection provisions in the  
20 Merger Agreement that operate conjunctively to deter other suitors from submitting a superior  
21 offer for IXYS.

22 31. First, the Merger Agreement contains a no solicitation provision that prohibits the  
23 Company or the Individual Defendants from taking any affirmative action to obtain a better deal  
24 for IXYS stockholders. The Merger Agreement states that the Company and the Individual  
25 Defendants shall not, directly or indirectly:

26 (i) solicit, initiate, knowingly encourage or knowingly facilitate any  
27 inquiry regarding, or any proposal or offer that constitutes, or would  
28 reasonably be expected to lead to, a company takeover proposal (as  
defined below); (ii) engage in, continue or otherwise participate in  
any discussions or negotiations, or furnish to any other person any  
information, in connection with any company takeover proposal; or  
(iii) approve, adopt, recommend or enter into (or propose to do any  
of the foregoing) any letter of intent or similar agreement with  
respect to a company takeover proposal.

1 32. Additionally, the Merger Agreement grants the Littlefuse recurring and unlimited  
2 matching rights, which provides the Littlefuse with: (i) unfettered access to confidential, non-  
3 public information about competing proposals from third parties which it can use to prepare a  
4 matching bid; and (ii) four business days to negotiate with IXYS, amend the terms of the Merger  
5 Agreement, and make a counter-offer in the event a superior offer is received.

6 33. The non-solicitation and matching rights provisions essentially ensure that a  
7 superior bidder will not emerge, as any potential suitor will undoubtedly be deterred from  
8 expending the time, cost, and effort of making a superior proposal while knowing that the  
9 Littlefuse can easily foreclose a competing bid. As a result, these provisions unreasonably favor  
10 the Littlefuse, to the detriment of IXYS's public stockholders.

12 34. Moreover, the Merger Agreement provides that IXYS must pay the Littlefuse a  
13 termination fee of \$28.5 million in the event the Company elects to terminate the Merger  
14 Agreement to pursue a superior proposal. The termination fee provision further ensures that no  
15 competing offer will emerge, as any competing bidder would have to pay a naked premium for the  
16 right to provide IXYS stockholders with a superior offer.

17 35. Ultimately, these preclusive deal protection provisions restrain the Company's  
18 ability to solicit or engage in negotiations with any third party regarding a proposal to acquire all  
19 or a significant interest in the Company.

20 36. Given that the preclusive deal protection provisions in the Merger Agreement  
21 impede a superior bidder from emerging, it is imperative that IXYS's stockholders receive all  
22 material information necessary for them to cast a fully informed vote at the stockholder meeting  
23 concerning the Proposed Merger.

24 **IV. The Proxy Is Materially Incomplete and Misleading.**

25 37. On October 26, 2017, Defendants filed the Proxy with the SEC. The Proxy has  
26 been disseminated to the Company's stockholders, and solicits the Company's stockholders to vote  
27

1 their shares in favor of the Proposed Merger. The Individual Defendants were obligated to  
2 carefully review the Proxy to ensure that it did not contain any material misrepresentations or  
3 omissions. However, the Proxy misrepresents and/or omits material information, in violation of  
4 Sections 14(a) and 20(a) of the Exchange Act, that is necessary for the Company's stockholders  
5 to make an informed decision concerning whether to vote in favor of the Proposed Merger.

6 38. With respect to Needham's *Discounted Cash Flow Analysis* ("DCF"), the Proxy  
7 fails to disclose the following key components used in the analysis: (i) the inputs and assumptions  
8 underlying the calculation of the discount rate range of 11.5% to 13.5%; (ii) the inputs and  
9 assumptions underlying the selection of the terminal multiple range of 7.0x to 10.0x; (iii) the actual  
10 terminal enterprise values calculated and utilized in the analysis; (iv) the value of IXYS' cash and  
11 debt utilized in the analysis; (v) the estimated fully-diluted outstanding share number used in the  
12 analysis; and (vi) why Needham performed a DCF using on three years of cash flows instead of  
13 the normal, five years.

14 39. These key inputs are material to IXYS stockholders, and their omission renders the  
15 summary of Needham's Analysis incomplete and misleading. As a highly-respected professor  
16 explained in one of the most thorough law review articles regarding the fundamental flaws with  
17 the valuation analyses bankers perform in support of fairness opinions, in a discounted cash flow  
18 analysis a banker takes management's forecasts, and then makes several key choices "each of  
19 which can significantly affect the final valuation." Steven M. Davidoff, *Fairness Opinions*, 55  
20 Am. U.L. Rev. 1557, 1576 (2006). Such choices include "the appropriate discount rate, and the  
21 terminal value..." *Id.* As Professor Davidoff explains:

22 There is substantial leeway to determine each of these, and any  
23 change can markedly affect the discounted cash flow value. For  
24 example, a change in the discount rate by one percent on a stream of  
25 cash flows in the billions of dollars can change the discounted cash  
26 flow value by tens if not hundreds of millions of dollars.... This issue  
27 arises not only with a discounted cash flow analysis, but with each  
28 of the other valuation techniques. This dazzling variability makes it  
difficult to rely, compare, or analyze the valuations underlying a  
fairness opinion *unless full disclosure is made of the various inputs  
in the valuation process, the weight assigned for each, and the*

1           *rationale underlying these choices.* The substantial discretion and  
2 lack of guidelines and standards also makes the process vulnerable  
3 to manipulation to arrive at the “right” answer for fairness. This  
raises a further dilemma in light of the conflicted nature of the  
investment banks who often provide these opinions.

4 *Id.* at 1577-78.

5           40. With respect to Needham’s *Present Value of Illustrative Future Stock Prices*  
6 *Analysis*, the Proxy fails to disclose: (i) the inputs and assumptions underlying the calculations of  
7 the cost of equity range of 13.1% to 15.1%; (ii) the inputs and assumptions underlying the selection  
8 of the illustrative multiples range of 7.0x to 10.0x; (iii) the value of IXYS’ cash and debt utilized  
9 in the analysis; and (iv) the estimated fully-diluted outstanding share number used in the analysis.  
10 As with the DCF, this valuation analysis was performed by the Company’s financial advisor,  
11 heavily relied on by shareholders, and is expected to represent a clear and accurate state of the  
12 Company’s finances. Thus, in summarizing the analysis in the Proxy, the Defendants must be  
13 completely transparent with the information provided. The failure to include this valuable  
14 information renders the summary of the analysis set forth in the Proxy materially incomplete and  
15 misleading.

16           41. The disclosure of the inputs and assumptions underlying the various discount rates  
17 utilized in the above two analyses is particularly important here, given the amount of variance in  
18 the two ranges. The rate(s) that discount future values to present values has a tremendous impact  
19 on the valuation analysis. Since Needham chose to use two significantly different rates in the DCF  
20 and the *Present Value of Illustrative Future Stock Prices Analysis*, the individual inputs of those  
21 rates must be disclosed so shareholders may determine if such rates were fair.

22           42. With respect to the Needham’s *Selected Transactions* and *IXYS Selected*  
23 *Companies* Analyses, the Proxy fails to disclose the individual multiples that Needham calculated  
24 for each company and transaction utilized. The omission of these multiples renders the summary  
25 of these analyses materially misleading. A fair summary of Companies and Transactions Analyses  
26 requires the disclosure of the individual multiples for each company and transaction; merely  
27 providing the quartiles that a banker applied is insufficient, as shareholders are unable to assess  
28

1 whether the banker applied appropriate multiples, or, instead, applied unreasonably low multiples  
2 in order to alter the analysis to appear more favorable in light of the Merger Consideration.

3 43. With respect to the Needham's *Littlefuse Selected Companies Analysis*, the Proxy  
4 fails to provide any information about the companies selected for comparison. There are no names,  
5 there is no mention of the number of companies compared, and there are no individual multiples  
6 for the selected companies. The complete omission on any information concerning the companies  
7 selected in the *Selected Companies Analysis* renders the analysis materially incomplete and  
8 misleading. Given the variable nature of the Merger Consideration, cash and/or Littlefuse stock,  
9 the value of Littlefuse, and thus this valuation analysis, is plainly material to IXYS stockholders.

10 44. With respect to Needham's *Premiums Paid Analysis*, the Proxy fails to disclose the  
11 individual premiums used to prepare the comparative analysis. A fair summary of this analysis  
12 requires the disclosure of the individual premiums for each transaction observed. Merely providing  
13 the quartiles is insufficient, as stockholders are unable to assess whether the banker summarized  
14 fairly, or, instead, emphasized only the figures that best present the premia in light of the Merger  
15 Consideration, i.e. as low as possible. The omission of this information renders the summary of  
16 this analysis set forth in the Proxy materially incomplete and misleading.

17 45. Finally, with respect to Needham's *Pro Forma Transaction Analysis*, the Proxy  
18 omits the following information: (i) the estimated financial results of Littlefuse used in the  
19 analysis; (ii) whether there were any synergies for the Proposed Merger beyond 2018, and, if so,  
20 their value(s); and (iii) the actual value of the accretion for 2018, whether there was any accretion  
21 beyond 2018, and, if so, its value. Again, given the potential for the equity based Merger  
22 Consideration, the value of Littlefuse and the pro forma value of the Proposed Transaction is  
23 crucial to stockholders in deciding how to vote. Thus, the omission of the above information  
24 renders the analysis, and in combination with the lack of any other accurate valuation analyses or  
25 projections for Littlefuse, the Proxy as a whole, materially incomplete and misleading.

26 46. In sum, the omission of the above-referenced information renders statements in the  
27 Proxy materially incomplete and misleading in contravention of the Exchange Act. Absent  
28



1 disclosure of the foregoing material information prior to the special stockholder meeting to vote  
2 on the Proposed Merger, Plaintiff and the other members of the Class will be unable to make a  
3 fully-informed decision regarding whether to vote in favor of the Proposed Merger, and they are  
4 thus threatened with irreparable harm, warranting the injunctive relief sought herein.

5 **COUNT I**

6 **(Against all Defendants for Violations of Section 14(a) of the Exchange Act,  
7 and Rule 14a-9, 17 C.F.R. 240.14a-9)**

8 47. Plaintiff incorporates each and every allegation set forth above as if fully set forth  
9 herein.

10 48. Section 14(a)(1) of the Exchange Act makes it “unlawful for any person, by the use  
11 of the mails or by any means or instrumentality of interstate commerce or of any facility of a  
12 national securities exchange or otherwise, in contravention of such rules and regulations as the  
13 Commission may prescribe as necessary or appropriate in the public interest or for the protection  
14 of investors, to solicit or to permit the use of his name to solicit any proxy or consent or  
15 authorization in respect of any security (other than an exempted security) registered pursuant to  
16 section 78l of this title.” 15 U.S.C. § 78n(a)(1).

17 49. Rule 14a-9, promulgated by the SEC pursuant to Section 14(a) of the Exchange  
18 Act, provides that Proxy communications with stockholders shall not contain “any statement  
19 which, at the time and in the light of the circumstances under which it is made, is false or  
20 misleading with respect to any material fact, or which omits to state any material fact necessary in  
21 order to make the statements therein not false or misleading.” 17 C.F.R. § 240.14a-9.

22 50. The omission of information from a proxy statement will violate Section 14(a) and  
23 Rule 14a-9 if other SEC regulations specifically require disclosure of the omitted information.

24 51. Defendants have issued the Proxy with the intention of soliciting stockholder  
25 support for the Proposed Merger. Each of the Defendants reviewed and authorized the  
26 dissemination of the Proxy, which fails to provide critical information regarding, amongst other  
27 things, the valuation analyses performed by Needham in support of its fairness opinion.  
28



1           52. In so doing, Defendants made untrue statements of fact and/or omitted material  
2 facts necessary to make the statements made not misleading. Each of the Individual Defendants,  
3 by virtue of their roles as officers and/or directors, were aware of the omitted information but failed  
4 to disclose such information, in violation of Section 14(a). The Individual Defendants were  
5 therefore negligent, as they had reasonable grounds to believe material facts existed that were  
6 misstated or omitted from the Proxy, but nonetheless failed to obtain and disclose such information  
7 to stockholders although they could have done so without extraordinary effort.

8           53. The Individual Defendants knew or were negligent in not knowing that the Proxy  
9 is materially misleading and omits material facts that are necessary to render it not misleading.  
10 The Individual Defendants undoubtedly reviewed and relied upon the omitted information  
11 identified above in connection with their decision to approve and recommend the Proposed  
12 Merger; indeed, the Proxy states that Needham reviewed and discussed its financial analyses with  
13 the Board, and further states that the Board considered both the financial analyses provided by  
14 Needham as well as its fairness opinion and the assumptions made and matters considered in  
15 connection therewith. Further, the Individual Defendants were privy to and had knowledge of the  
16 projections for the Company.

17           54. The Individual Defendants knew or were negligent in not knowing that the material  
18 information identified above has been omitted from the Proxy, rendering the sections of the Proxy  
19 identified above to be materially incomplete and misleading. Indeed, the Individual Defendants  
20 were required to review Needham's analyses in connection with their receipt of the fairness  
21 opinion, question Needham as to its derivation of fairness, and be particularly attentive to the  
22 procedures followed in preparing the Proxy and review it carefully before it was disseminated, to  
23 corroborate that there are no material misstatements or omissions.

24           55. The Individual Defendants were, at the very least, negligent in preparing and  
25 reviewing the Proxy. The preparation of a proxy statement by corporate insiders containing  
26 materially false or misleading statements or omitting a material fact constitutes negligence. The  
27 Individual Defendants were negligent in choosing to omit material information from the Proxy or  
28

1 failing to notice the material omissions in the Proxy upon reviewing it, which they were required  
2 to do carefully as the Company's directors. Indeed, the Individual Defendants were intricately  
3 involved in the process leading up to the signing of the Merger Agreement and the preparation of  
4 the Company's financial projections.

5 56. IXYS is also deemed negligent as a result of the Individual Defendants' negligence  
6 in preparing and reviewing the Proxy.

7 57. The misrepresentations and omissions in the Proxy are material to Plaintiff and the  
8 Class, who will be deprived of their right to cast an informed vote if such misrepresentations and  
9 omissions are not corrected prior to the vote on the Proposed Merger.

10 58. Plaintiff and the Class have no adequate remedy at law. Only through the exercise  
11 of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate  
12 and irreparable injury that Defendants' actions threaten to inflict.

13 **COUNT II**

14 **(Against the Individual Defendants for Violations of Section 20(a) of the Exchange Act)**

15 59. Plaintiff incorporates each and every allegation set forth above as if fully set forth  
16 herein.

17 60. The Individual Defendants acted as controlling persons of IXYS within the  
18 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their positions as  
19 officers and/or directors of IXYS, and participation in and/or awareness of the Company's  
20 operations and/or intimate knowledge of the incomplete and misleading statements contained in  
21 the Proxy filed with the SEC, they had the power to influence and control and did influence and  
22 control, directly or indirectly, the decision making of the Company, including the content and  
23 dissemination of the various statements that Plaintiff contends are materially incomplete and  
24 misleading.

25 61. Each of the Individual Defendants was provided with or had unlimited access to  
26 copies of the Proxy and other statements alleged by Plaintiff to be misleading prior to and/or  
27  
28

1 shortly after these statements were issued and had the ability to prevent the issuance of the  
2 statements or cause the statements to be corrected.

3 62. In particular, each of the Individual Defendants had direct and supervisory  
4 involvement in the day-to-day operations of the Company, and, therefore, is presumed to have had  
5 the power to control or influence the particular transactions giving rise to the Exchange Act  
6 violations alleged herein, and exercised the same. The Proxy at issue contains the unanimous  
7 recommendation of each of the Individual Defendants to approve the Proposed Merger. They were  
8 thus directly involved in preparing this document.

9 63. In addition, as the Proxy sets forth at length, and as described herein, the Individual  
10 Defendants were involved in negotiating, reviewing, and approving the Merger Agreement. The  
11 Proxy purports to describe the various issues and information that the Individual Defendants  
12 reviewed and considered. The Individual Defendants participated in drafting and/or gave their  
13 input on the content of those descriptions.

14 64. By virtue of the foregoing, the Individual Defendants have violated Section 20(a)  
15 of the Exchange Act.

16 65. As set forth above, the Individual Defendants had the ability to exercise control  
17 over and did control a person or persons who have each violated Section 14(a) and Rule 14a-9 by  
18 their acts and omissions as alleged herein. By virtue of their positions as controlling persons, these  
19 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate  
20 result of Individual Defendants' conduct, Plaintiff and the Class will be irreparably harmed.

21 66. Plaintiff and the Class have no adequate remedy at law. Only through the exercise  
22 of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate  
23 and irreparable injury that Defendants' actions threaten to inflict.

24 **RELIEF REQUESTED**

25 WHEREFORE, Plaintiff demands injunctive relief in his favor and in favor of the Class  
26 and against the Defendants jointly and severally, as follows:  
27  
28

1 A. Declaring that this action is properly maintainable as a Class Action and certifying Plaintiff  
2 as Class Representative and his counsel as Class Counsel;

3 B. Preliminarily and permanently enjoining Defendants and their counsel, agents, employees  
4 and all persons acting under, in concert with, or for them, from proceeding with, consummating,  
5 or closing the Proposed Merger, unless and until Defendants disclose the material information  
6 identified above which has been omitted from the Proxy;

7 C. Rescinding, to the extent already implemented, the Merger Agreement or any of the terms  
8 thereof, or granting Plaintiff and the Class rescissory damages;

9 D. Directing the Defendants to account to Plaintiff and the Class for all damages suffered as  
10 a result of their wrongdoing;

11 E. Awarding Plaintiff the costs and disbursements of this action, including reasonable  
12 attorneys' and expert fees and expenses; and

13 F. Granting such other and further equitable relief as this Court may deem just and proper.

14 **JURY DEMAND**

15 Plaintiff demands a trial by jury.

16  
17 DATED: November 3, 2017

18 **OF COUNSEL**

19  
20 **MONTEVERDE & ASSOCIATES PC**  
21 Juan E. Monteverde  
22 The Empire State Building  
23 350 Fifth Avenue, Suite 4405  
24 New York, New York 10118  
25 Tel: 212-971-1341  
26 Fax: 212-202-7880  
27 Email: jmonteverde@monteverdelaw.com

28 *Counsel for Plaintiff*

Respectfully submitted,

/s/ David E. Bower  
David E. Bower

David E. Bower SBN 119546  
**MONTEVERDE & ASSOCIATES PC**

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*Counsel for Plaintiff*



CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Jerry Sanchez

(b) County of Residence of First Listed Plaintiff Los Angeles County (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) David Bower SBN 119546 Monteverde & Associates PC 600 Corporate Pointe, Suite 1170 Culver City CA 90230 213-446-6652

DEFENDANTS

IXYS CORPORATION, NATHAN ZOMMER, UZI SASSON, DONALD L. FEUCHT, SAMUEL KORY, S. JOON LEE, TIMOTHY A. RICHARDSON, JAMES M. THORBURN, and KENNETH D. WONG

County of Residence of First Listed Defendant Santa Clara (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff 2 U.S. Government Defendant 3 Federal Question (U.S. Government Not a Party) 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 15 USC §§ 78n(a)(1) Rule 14n-9

Brief description of cause:

Defendants violated §§ 14(a) and 20(a) of the Exchange Act

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE DOCKET NUMBER 5:17-cv-06438

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE 11/03/2017

SIGNATURE OF ATTORNEY OF RECORD

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## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

**Authority For Civil Cover Sheet.** The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
- c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
  - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
  - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
  - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
  - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
  - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
  - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
  - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
  - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
  - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [IXYS Corporation Facing Securities Lawsuit Over 'Incomplete' Proxy](#)

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