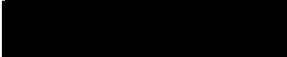


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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

 Individually and  
on Behalf of All Others Similarly  
Situated,

Plaintiff,

v.

QLOGIC CORPORATION,  
PRASAD L. RAMPALLI, and JEAN  
HU,

Defendants.

Case No.:

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

**JURY TRIAL DEMANDED**

1 Plaintiff [REDACTED] (“Plaintiff”), by and through her attorneys, alleges the  
2 following upon information and belief, except as to those allegations concerning  
3 Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and  
4 belief is based upon, among other things, her counsel’s investigation, which  
5 includes without limitation: (a) review and analysis of regulatory filings made by  
6 QLOGIC CORPORATION (“QLogic” or the “Company”), with the United States  
7 Securities and Exchange Commission (“SEC”); (b) review and analysis of press  
8 releases and media reports issued by and disseminated by QLogic; and (c) review  
9 of other publicly available information concerning QLogic.  
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13 **NATURE OF THE ACTION AND OVERVIEW**

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15 1. This is a class action on behalf of purchasers of QLogic’s securities  
16 between April 30, 2015 and July 30, 2015, inclusive (the “Class Period”), seeking  
17 to pursue remedies under the Securities Exchange Act of 1934 (the “Exchange  
18 Act”).  
19

20 2. QLogic designs and supplies server and storage networking  
21 infrastructure products that provide, enhance, and manage computer data  
22 communication. These products facilitate the transfer of data and enable resource  
23 sharing between servers, networks, and storage. The Company’s products are used  
24 in enterprise, managed service provider, consumer web, and cloud service provider  
25 data centers. The Company’s products are based primarily on Fibre Channel and  
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1 Ethernet technologies and are used in connection with storage networks, local area  
2 networks, and converged networks.

3 3. On July 9, 2015, QLogic issued a press release announcing its  
4 preliminary first quarter fiscal year 2016 results. The Company preliminarily  
5 reported net revenue of approximately \$113 million for the first quarter of fiscal  
6 2016, compared to its previously forecasted range of \$124 million to \$132 million.  
7 QLogic revealed that the Company's financial results had been negatively  
8 impacted by lower than expected demand due to general weakness in the  
9 Company's traditional enterprise server and storage markets, and "a build-up of  
10 inventory at certain of its original equipment manufacturer ("OEM") customers  
11 due to a slower next-generation server transition in enterprise environments."  
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16 4. On this news, the company's shares fell \$2.98 per share, over 21%, to  
17 close at \$11.00 per share on July 9, 2015, on unusually heavy trading volume.  
18

19 5. On July 30, 2015, after the market closed, QLogic issued a press  
20 release announcing its first quarter fiscal year 2016 financial results. The Company  
21 reported net income of \$2.6 million, or \$0.03 diluted earnings per share ("EPS"),  
22 and net revenue of \$113.4 million for the first fiscal quarter of 2016 ended June 28,  
23 2015. The Company further disclosed that its financial results had been adversely  
24 impacted by "operational issues including an inventory build-up primarily at a  
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1 major OEM customer.” Furthermore, the Company announced that it planned to  
2 take actions over the next several months to reduce its operating costs.

3 6. On this news, the company’s shares fell \$2.51 per share, over 22%, to  
4 close at \$8.87 per share on July 31, 2015, on unusually heavy trading volume.

5 7. Throughout the Class Period, Defendants made false and/or  
6 misleading statements regarding its business practices and prospects. Specifically,  
7 Defendants made false and/or misleading statements and/or failed to disclose: (1)  
8 that the Company was being adversely impacted by lower than expected demand  
9 due to weakness in its enterprise server and storage markets; (2) that the Company  
10 was being negatively impacted by operational issues including an inventory build-  
11 up at a major OEM customer; (3) that, as such, the Company’s financial results  
12 were being negatively impacted; and (4) that, as such, the Company’s statements  
13 about its business, operations, and prospects lacked a reasonable basis.  
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19 8. As a result of Defendants’ wrongful acts and omissions, and the  
20 precipitous decline in the market value of the Company’s securities, Plaintiff and  
21 other Class members have suffered significant losses and damages.  
22

23 **JURISDICTION AND VENUE**

24 9. The claims asserted herein arise under Sections 10(b) and 20(a) of the  
25 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated  
26 thereunder by the SEC (17 C.F.R. § 240.10b-5).  
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1 10. This Court has jurisdiction over the subject matter of this action  
2 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. §  
3 78aa).

4  
5 11. Venue is proper in this Judicial District pursuant to 28 U.S.C. §  
6 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial  
7 acts in furtherance of the alleged fraud or the effects of the fraud have occurred in  
8 this Judicial District. Many of the acts charged herein, including the preparation  
9 and dissemination of materially false and/or misleading information, occurred in  
10 substantial part in this Judicial District. Additionally, QLogic's principal executive  
11 offices are located within this Judicial District.

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

19  
20 **PARTIES**

21  
22 13. Plaintiff ██████████ as set forth in the accompanying certification,  
23 incorporated by reference herein, purchased or otherwise acquired QLogic's  
24 common stock during the Class Period, and suffered damages as a result of the  
25 federal securities law violations and false and/or misleading statements and/or  
26 material omissions alleged herein.  
27

1           14. Defendant QLogic is a Delaware corporation with its principal  
2 executive offices located at 26650 Aliso Viejo Parkway, Aliso Viejo, California  
3 92656.

4  
5           15. Defendant Prasad L. Rampalli (“Rampalli”) was, at all relevant times,  
6 Chief Executive Officer (“CEO”) and a director of QLogic.

7  
8           16. Defendant Jean Hu (“Hu”) was, at all relevant times, Chief Financial  
9 Officer (“CFO”) of QLogic.

10           17. Defendants Rampalli and Hu are collectively referred to hereinafter as  
11 the “Individual Defendants.” The Individual Defendants, because of their  
12 positions with the Company, possessed the power and authority to control the  
13 contents of QLogic’s reports to the SEC, press releases and presentations to  
14 securities analysts, money and portfolio managers and institutional investors, *i.e.*,  
15 the market. Each defendant was provided with copies of the Company’s reports  
16 and press releases alleged herein to be misleading prior to, or shortly after, their  
17 issuance and had the ability and opportunity to prevent their issuance or cause  
18 them to be corrected. Because of their positions and access to material non-public  
19 information available to them, each of these defendants knew that the adverse facts  
20 specified herein had not been disclosed to, and were being concealed from, the  
21 public, and that the positive representations which were being made were then  
22 materially false and/or misleading. The Individual Defendants are liable for the  
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1 false statements pleaded herein, as those statements were each “group-published”  
2 information, the result of the collective actions of the Individual Defendants.

3  
4 **SUBSTANTIVE ALLEGATIONS**

5 **Background**

6 18. QLogic designs and supplies server and storage networking  
7 infrastructure products that provide, enhance, and manage computer data  
8 communication. These products facilitate the transfer of data and enable resource  
9 sharing between servers, networks, and storage. The Company’s products are used  
10 in enterprise, managed service provider, consumer web, and cloud service provider  
11 data centers. The Company’s products are based primarily on Fibre Channel and  
12 Ethernet technologies and are used in connection with storage networks, local area  
13 networks, and converged networks.  
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18 **Materially False and Misleading**  
19 **Statements Issued During the Class Period**

20 19. The Class Period begins on April 30, 2015. On that day, the  
21 Company issued a press release entitled, “QLogic Reports Fourth Quarter and  
22 Fiscal Year 2015 Results.” Therein, the Company, in relevant part, stated:  
23

24 **Annual revenue grows 13%; Non-GAAP EPS up 17%**

25 QLogic Corp. (Nasdaq:QLGC), a leading supplier of high  
26 performance network infrastructure solutions, today announced its  
27 financial results for the fourth quarter and fiscal year ended March 29,  
28 2015.

1 **Fourth Quarter Highlights**

- 2 • Net revenue: \$133.0 million  
3 • GAAP net income: \$11.1 million or \$0.13 per diluted share  
4 • Non-GAAP net income: \$24.9 million or \$0.28 per diluted share  
5 • Cash and marketable securities: \$316.4 million as of March 29,  
6 2015  
7 • Cash generated from operations: \$45.2 million

7 **Fiscal Year Highlights**

- 8 • Net revenue: \$520.2 million  
9 • GAAP net income: \$50.6 million or \$0.57 per diluted share  
10 • Non-GAAP net income: \$97.0 million or \$1.10 per diluted share  
11 • GAAP operating income: \$54.4 million  
12 • Non-GAAP operating income: \$106.8 million  
13 • Operating margin: 10.5% GAAP, 20.5% non-GAAP

13 Net revenue for the fourth quarter of fiscal 2015 was \$133.0 million  
14 and increased 15% from \$115.7 million in the same quarter last year.  
15 Revenue from Advanced Connectivity Platforms was \$120.7 million  
16 during the fourth quarter of fiscal 2015 and increased 19% from  
\$101.1 million in the same quarter last year.

17 Net income on a GAAP basis for the fourth quarter of fiscal 2015  
18 increased to \$11.1 million, or \$0.13 per diluted share, from a net loss  
19 of \$46.8 million, or \$0.54 per diluted share, for the fourth quarter of  
20 fiscal 2014. Net income on a non-GAAP basis for the fourth quarter  
21 of fiscal 2015 increased 20% to \$24.9 million, or \$0.28 per diluted  
22 share, from \$20.8 million, or \$0.24 per diluted share, for the fourth  
23 quarter of fiscal 2014.

23 Net revenue for fiscal 2015 was \$520.2 million and increased 13%  
24 from \$460.9 million in fiscal 2014. Revenue from Advanced  
25 Connectivity Platforms was \$465.0 million during fiscal 2015 and  
26 increased 20% from \$386.7 million in fiscal 2014. Net income on a  
27 GAAP basis for fiscal 2015 increased to \$50.6 million, or \$0.57 per  
28 diluted share, from a net loss of \$18.3 million, or \$0.21 per diluted  
share, in fiscal 2014. Net income on a non-GAAP basis for fiscal 2015  
increased to \$97.0 million, or \$1.10 per diluted share, from \$82.8  
million, or \$0.94 per diluted share, in fiscal 2014.



1 “I am very pleased with our achievements during the fourth quarter  
2 and for the full year of fiscal 2015. We accomplished a great deal,  
3 including expansion of our market share position for both our Fibre  
4 Channel and Ethernet products<sup>1</sup>. In addition, during fiscal 2015, we  
5 were the first to sample the next generation 25/40/50/100Gb Ethernet  
6 controllers to customers that serve the enterprise and Cloud markets,”  
7 said Prasad Rampalli, president and chief executive officer, QLogic.  
8 “From a financial perspective, our revenue during fiscal 2015  
9 increased by 13% over fiscal 2014 and our operating income and  
10 earnings per share expanded at even higher growth rates. Our focus on  
11 server and storage connectivity provides us excellent leverage from  
12 both a product development and customer engagement standpoint. I  
13 believe that as we continue to execute on our strategy, we are well  
14 positioned to deliver on our top and bottom line growth plans in the  
15 coming year.”

16 20. On May 26, 2015, QLogic filed its Annual Report with the SEC on  
17 Form 10-K for the 2015 fiscal year. The Company’s Form 10-K was signed by  
18 Defendants Rampalli and Hu, and reaffirmed the Company’s statements previously  
19 announced on April 30, 2015.

20 21. The statements contained in ¶¶19-20 were materially false and/or  
21 misleading when made because defendants failed to disclose or indicate the  
22 following: (1) that the Company was being adversely impacted by lower than  
23 expected demand due to weakness in its enterprise server and storage markets; (2)  
24 that the Company was being negatively impacted by operational issues including  
25 an inventory build-up at a major OEM customer; (3) that, as such, the Company’s  
26 financial results were being negatively impacted; and (4) that, as such, the

1 Company's statements about its business, operations, and prospects lacked a  
2 reasonable basis.

3  
4 **Disclosures at the End of the Class Period**

5 22. On July 9, 2015, QLogic issued a press release entitled, "QLogic  
6 Announces Preliminary First Quarter Results For Fiscal Year 2016." Therein, the  
7 Company, in relevant part, stated:  
8

9 QLogic Corp. (Nasdaq:QLGC), a leading supplier of high  
10 performance network infrastructure solutions, today announced  
11 preliminary results for its first quarter ended June 28, 2015.

12 QLogic expects to report net revenue of approximately \$113 million  
13 for the first quarter of fiscal 2016, compared to the previously-  
14 forecasted range of \$124 million to \$132 million. The preliminary  
15 results reflect lower than expected demand due to general weakness in  
16 the Company's traditional enterprise server and storage markets, and a  
build-up of inventory at certain of its OEM customers due to a slower  
next-generation server transition in enterprise environments.

17 "We are disappointed with the level of business activity during the  
18 quarter," said Prasad Rampalli, president and chief executive officer,  
19 QLogic. "We will work through these headwinds, leveraging our  
20 technologies and solutions to expand our addressable market  
21 opportunities. We believe QLogic is well positioned to capitalize on  
22 these opportunities in the data center. We will provide more details on  
our first quarter results during our earnings call on July 30th."

23 The Company anticipates reporting GAAP net income per diluted  
24 share for the first quarter of fiscal 2016 in the range of \$0.00 to \$0.01.  
25 On a non-GAAP basis, the Company expects to report net income per  
26 diluted share in the range of \$0.16 to \$0.17, compared to the  
27 previously-forecasted range of \$0.23 to \$0.27 per diluted share. The  
28 non-GAAP net income per diluted share amount excludes stock-based  
compensation, amortization of acquisition-related intangible assets,  
other charges, and income tax adjustments.

1 The preliminary results of operations for the first quarter of fiscal  
2 2016 represent the most current information available to management.  
3 The Company's actual results may differ from these preliminary  
4 results due to the completion of the Company's financial closing  
5 procedures, final adjustments and other developments that may arise  
6 between the date of this press release and the time that financial  
7 results for the first quarter of fiscal 2016 are finalized.

8 23. On this news, the company's shares fell \$2.98 per share, over 21%, to  
9 close at \$11.00 per share on July 9, 2015, on unusually heavy trading volume.

10 24. On July 30, 2015, after the market closed, QLogic issued a press  
11 release entitled, "QLogic Reports First Quarter Results for Fiscal Year 2016."  
12 Therein, the Company, in relevant part, stated:

13 QLogic Corp. (Nasdaq:QLGC), a leading supplier of high  
14 performance network infrastructure solutions, today announced its  
15 first quarter financial results for the period ended June 28, 2015.

16 Net revenue for the first quarter of fiscal 2016 was \$113.4 million  
17 compared to \$119.4 million in the same quarter last year. Revenue  
18 from Advanced Connectivity Platforms was \$102.6 million during the  
19 first quarter of fiscal 2016 compared to \$104.7 million in the same  
20 quarter last year.

21 Net income on a GAAP basis for the first quarter of fiscal 2016 was  
22 \$2.6 million, or \$0.03 per diluted share, compared to \$6.0 million, or  
23 \$0.07 per diluted share, for the first quarter of fiscal 2015. Net income  
24 on a non-GAAP basis for the first quarter of fiscal 2016 was \$16.5  
25 million, or \$0.19 per diluted share, compared to \$18.5 million, or  
26 \$0.21 per diluted share, for the first quarter of fiscal 2015.

27 "We are disappointed with our first quarter financial performance.  
28 Our first quarter results were adversely impacted by lower than  
expected demand due to weakness in our traditional enterprise server  
and storage markets, and operational issues including an inventory  
build-up primarily at a major OEM customer that was not identified

1 on a timely basis,” said Prasad Rampalli, president and chief  
2 executive officer, QLogic. “We have taken actions to address these  
3 execution areas where we fell short and also plan to take actions over  
4 the next few months to reduce our operating costs by streamlining our  
5 business and prioritizing our investments. We remain committed to  
6 our strategy and will continue to focus on our core and expansion  
7 markets to deliver long-term growth and enhance shareholder value.”

8 25. On this news, the company’s shares fell \$2.51 per share, over 22%, to  
9 close at \$8.87 per share on July 31, 2015, on unusually heavy trading volume.

### 10 CLASS ACTION ALLEGATIONS

11 26. Plaintiff brings this action as a class action pursuant to Federal Rule of  
12 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all those who  
13 purchased or otherwise acquired QLogic’s securities between April 30, 2015 and  
14 July 30, 2015, inclusive and who were damaged thereby (the “Class”). Excluded  
15 from the Class are Defendants, the officers and directors of the Company, at all  
16 relevant times, members of their immediate families and their legal representatives,  
17 heirs, successors or assigns and any entity in which Defendants have or had a  
18 controlling interest.

19 27. The members of the Class are so numerous that joinder of all  
20 members is impracticable. Throughout the Class Period, QLogic’s securities were  
21 actively traded on the Nasdaq Stock Market (“NASDAQ”). While the exact  
22 number of Class members is unknown to Plaintiff at this time and can only be  
23 ascertained through appropriate discovery, Plaintiff believes that there are  
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1 hundreds or thousands of members in the proposed Class. Millions of QLogic  
2 shares were traded publicly during the Class Period on the NASDAQ. As of May  
3 15, 2015, QLogic had 87,259,000 shares of common stock outstanding. Record  
4 owners and other members of the Class may be identified from records maintained  
5 by QLogic or its transfer agent and may be notified of the pendency of this action  
6 by mail, using the form of notice similar to that customarily used in securities class  
7 actions.  
8  
9

10 28. Plaintiff's claims are typical of the claims of the members of the Class  
11 as all members of the Class are similarly affected by Defendants' wrongful  
12 conduct in violation of federal law that is complained of herein.  
13

14 29. Plaintiff will fairly and adequately protect the interests of the  
15 members of the Class and has retained counsel competent and experienced in class  
16 and securities litigation.  
17

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

22 (a) whether the federal securities laws were violated by  
23 Defendants' acts as alleged herein;  
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1 (b) whether statements made by Defendants to the investing public  
2 during the Class Period omitted and/or misrepresented material facts about the  
3 business, operations, and prospects of QLogic; and  
4

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

8 31. A class action is superior to all other available methods for the fair  
9 and 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  
13 them. There will be no difficulty in the management of this action as a class  
14 action.  
15  
16

17 **UNDISCLOSED ADVERSE FACTS**  
18

19 32. The market for QLogic's securities was open, well-developed and  
20 efficient at all relevant times. As a result of these materially false and/or  
21 misleading statements, and/or failures to disclose, QLogic's securities traded at  
22 artificially inflated prices during the Class Period. Plaintiff and other members of  
23 the Class purchased or otherwise acquired QLogic's securities relying upon the  
24 integrity of the market price of the Company's securities and market information  
25 relating to QLogic, and have been damaged thereby.  
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1           33. During the Class Period, Defendants materially misled the investing  
2 public, thereby inflating the price of QLogic's securities, by publicly issuing false  
3 and/or misleading statements and/or omitting to disclose material facts necessary  
4 to make Defendants' statements, as set forth herein, not false and/or misleading.  
5 Said statements and omissions were materially false and/or misleading in that they  
6 failed to disclose material adverse information and/or misrepresented the truth  
7 about QLogic's business, operations, and prospects as alleged herein.  
8

9  
10           34. At all relevant times, the material misrepresentations and omissions  
11 particularized in this Complaint directly or proximately caused or were a  
12 substantial contributing cause of the damages sustained by Plaintiff and other  
13 members of the Class. As described herein, during the Class Period, Defendants  
14 made or caused to be made a series of materially false and/or misleading  
15 statements about QLogic's financial well-being and prospects. These material  
16 misstatements and/or omissions had the cause and effect of creating in the market  
17 an unrealistically positive assessment of the Company and its financial well-being  
18 and prospects, thus causing the Company's securities to be overvalued and  
19 artificially inflated at all relevant times. Defendants' materially false and/or  
20 misleading statements during the Class Period resulted in Plaintiff and other  
21 members of the Class purchasing the Company's securities at artificially inflated  
22 prices, thus causing the damages complained of herein.  
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**LOSS CAUSATION**

1  
2 35. Defendants’ wrongful conduct, as alleged herein, directly and  
3 proximately caused the economic loss suffered by Plaintiff and the Class.  
4

5 36. During the Class Period, Plaintiff and the Class purchased QLogic’s  
6 securities at artificially inflated prices and were damaged thereby. The price of the  
7 Company’s securities significantly declined when the misrepresentations made to  
8 the market, and/or the information alleged herein to have been concealed from the  
9 market, and/or the effects thereof, were revealed, causing investors’ losses.  
10  
11

**SCIENTER ALLEGATIONS**

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

3  
4 **APPLICABILITY OF PRESUMPTION OF RELIANCE**  
5 **(FRAUD-ON-THE-MARKET DOCTRINE)**

6 38. The market for QLogic's securities was open, well-developed and  
7 efficient at all relevant times. As a result of the materially false and/or misleading  
8 statements and/or failures to disclose, QLogic's securities traded at artificially  
9 inflated prices during the Class Period. On June 3, 2015, the Company's stock  
10 closed at a Class Period high of \$15.89 per share. Plaintiff and other members of  
11 the Class purchased or otherwise acquired the Company's securities relying upon  
12 the integrity of the market price of QLogic's securities and market information  
13 relating to QLogic, and have been damaged thereby.

14 39. During the Class Period, the artificial inflation of QLogic's stock was  
15 caused by the material misrepresentations and/or omissions particularized in this  
16 Complaint causing the damages sustained by Plaintiff and other members of the  
17 Class. As described herein, during the Class Period, Defendants made or caused to  
18 be made a series of materially false and/or misleading statements about QLogic's  
19 business, prospects, and operations. These material misstatements and/or  
20 omissions created an unrealistically positive assessment of QLogic and its  
21 business, operations, and prospects, thus causing the price of the Company's  
22 securities to be artificially inflated at all relevant times, and when disclosed,  
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1 negatively affected the value of the Company stock. Defendants' materially false  
2 and/or misleading statements during the Class Period resulted in Plaintiff and other  
3 members of the Class purchasing the Company's securities at such artificially  
4 inflated prices, and each of them has been damaged as a result.  
5

6 40. At all relevant times, the market for QLogic's securities was an  
7 efficient market for the following reasons, among others:  
8

9 (a) QLogic stock met the requirements for listing, and was listed  
10 and actively traded on the NASDAQ, a highly efficient and automated market;  
11

12 (b) as a regulated issuer, QLogic filed periodic public reports with  
13 the SEC and/or the NASDAQ;  
14

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

21 (d) QLogic was followed by securities analysts employed by  
22 brokerage firms who wrote reports about the Company, and these reports were  
23 distributed to the sales force and certain customers of their respective brokerage  
24 firms. Each of these reports was publicly available and entered the public  
25 marketplace.  
26  
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1           41. As a result of the foregoing, the market for QLogic's securities  
2 promptly digested current information regarding QLogic from all publicly  
3 available sources and reflected such information in QLogic's stock price. Under  
4 these circumstances, all purchasers of QLogic's securities during the Class Period  
5 suffered similar injury through their purchase of QLogic's securities at artificially  
6 inflated prices and a presumption of reliance applies.  
7  
8

9   **NO SAFE HARBOR**

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

3  
4 **FIRST CLAIM**  
5 **Violation of Section 10(b) of**  
6 **The Exchange Act and Rule 10b-5**  
7 **Promulgated Thereunder Against All Defendants**

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

10 44. During the Class Period, Defendants carried out a plan, scheme and  
11 course of conduct which was intended to and, throughout the Class Period, did: (i)  
12 deceive the investing public, including Plaintiff and other Class members, as  
13 alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase  
14 QLogic's securities at artificially inflated prices. In furtherance of this unlawful  
15 scheme, plan and course of conduct, defendants, and each of them, took the actions  
16 set forth herein.  
17

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

3 46. Defendants, individually and in concert, directly and indirectly, by the  
4 use, means or instrumentalities of interstate commerce and/or of the mails, engaged  
5 and participated in a continuous course of conduct to conceal adverse material  
6 information about QLogic's financial well-being and prospects, as specified herein.  
7

8 47. These defendants employed devices, schemes and artifices to defraud,  
9 while in possession of material adverse non-public information and engaged in  
10 acts, practices, and a course of conduct as alleged herein in an effort to assure  
11 investors of QLogic's value and performance and continued substantial growth,  
12 which included the making of, or the participation in the making of, untrue  
13 statements of material facts and/or omitting to state material facts necessary in  
14 order to make the statements made about QLogic and its business operations and  
15 future prospects in light of the circumstances under which they were made, not  
16 misleading, as set forth more particularly herein, and engaged in transactions,  
17 practices and a course of business which operated as a fraud and deceit upon the  
18 purchasers of the Company's securities during the Class Period.  
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20 48. Each of the Individual Defendants' primary liability, and controlling  
21 person liability, arises from the following facts: (i) the Individual Defendants were  
22 high-level executives and/or directors at the Company during the Class Period and  
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1 members of the Company's management team or had control thereof; (ii) each of  
2 these defendants, by virtue of their responsibilities and activities as a senior officer  
3 and/or director of the Company, was privy to and participated in the creation,  
4 development and reporting of the Company's internal budgets, plans, projections  
5 and/or reports; (iii) each of these defendants enjoyed significant personal contact  
6 and familiarity with the other defendants and was advised of, and had access to,  
7 other members of the Company's management team, internal reports and other  
8 data and information about the Company's finances, operations, and sales at all  
9 relevant times; and (iv) each of these defendants was aware of the Company's  
10 dissemination of information to the investing public which they knew and/or  
11 recklessly disregarded was materially false and misleading.

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16 49. The defendants had actual knowledge of the misrepresentations and/or  
17 omissions of material facts set forth herein, or acted with reckless disregard for the  
18 truth in that they failed to ascertain and to disclose such facts, even though such  
19 facts were available to them. Such defendants' material misrepresentations and/or  
20 omissions were done knowingly or recklessly and for the purpose and effect of  
21 concealing QLogic's financial well-being and prospects from the investing public  
22 and supporting the artificially inflated price of its securities. As demonstrated by  
23 Defendants' overstatements and/or misstatements of the Company's business,  
24 operations, financial well-being, and prospects throughout the Class Period,  
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1 Defendants, if they did not have actual knowledge of the misrepresentations and/or  
2 omissions alleged, were reckless in failing to obtain such knowledge by  
3 deliberately refraining from taking those steps necessary to discover whether those  
4 statements were false or misleading.  
5

6 50. As a result of the dissemination of the materially false and/or  
7 misleading information and/or failure to disclose material facts, as set forth above,  
8 the market price of QLogic's securities was artificially inflated during the Class  
9 Period. In ignorance of the fact that market prices of the Company's securities  
10 were artificially inflated, and relying directly or indirectly on the false and  
11 misleading statements made by Defendants, or upon the integrity of the market in  
12 which the securities trades, and/or in the absence of material adverse information  
13 that was known to or recklessly disregarded by Defendants, but not disclosed in  
14 public statements by Defendants during the Class Period, Plaintiff and the other  
15 members of the Class acquired QLogic's securities during the Class Period at  
16 artificially high prices and were damaged thereby.  
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22 51. At the time of said misrepresentations and/or omissions, Plaintiff and  
23 other members of the Class were ignorant of their falsity, and believed them to be  
24 true. Had Plaintiff and the other members of the Class and the marketplace known  
25 the truth regarding the problems that QLogic was experiencing, which were not  
26 disclosed by Defendants, Plaintiff and other members of the Class would not have  
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1 purchased or otherwise acquired their QLogic securities, or, if they had acquired  
2 such securities during the Class Period, they would not have done so at the  
3 artificially inflated prices which they paid.  
4

5 52. By virtue of the foregoing, Defendants have violated Section 10(b) of  
6 the Exchange Act and Rule 10b-5 promulgated thereunder.  
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8 53. As a direct and proximate result of Defendants' wrongful conduct,  
9 Plaintiff and the other members of the Class suffered damages in connection with  
10 their respective purchases and sales of the Company's securities during the Class  
11 Period.  
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13 **SECOND CLAIM**  
14 **Violation of Section 20(a) of**  
15 **The Exchange Act Against the Individual Defendants**

16 54. Plaintiff repeats and realleges each and every allegation contained  
17 above as if fully set forth herein.  
18

19 55. The Individual Defendants acted as controlling persons of QLogic  
20 within the meaning of Section 20(a) of the Exchange Act as alleged herein. By  
21 virtue of their high-level positions, and their ownership and contractual rights,  
22 participation in and/or awareness of the Company's operations and/or intimate  
23 knowledge of the false financial statements filed by the Company with the SEC  
24 and disseminated to the investing public, the Individual Defendants had the power  
25 to influence and control and did influence and control, directly or indirectly, the  
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1 decision-making of the Company, including the content and dissemination of the  
2 various statements which Plaintiff contends are false and misleading. The  
3 Individual Defendants were provided with or had unlimited access to copies of the  
4 Company's reports, press releases, public filings and other statements alleged by  
5 Plaintiff to be misleading prior to and/or shortly after these statements were issued  
6 and had the ability to prevent the issuance of the statements or cause the statements  
7 to be corrected.  
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10 56. In particular, each of these Defendants had direct and supervisory  
11 involvement in the day-to-day operations of the Company and, therefore, is  
12 presumed to have had the power to control or influence the particular transactions  
13 giving rise to the securities violations as alleged herein, and exercised the same.  
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16 57. As set forth above, QLogic and the Individual Defendants each  
17 violated Section 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in  
18 this Complaint. By virtue of their positions as controlling persons, the Individual  
19 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct  
20 and proximate result of Defendants' wrongful conduct, Plaintiff and other  
21 members of the Class suffered damages in connection with their purchases of the  
22 Company's securities during the Class Period.  
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26 **PRAYER FOR RELIEF**

27 WHEREFORE, Plaintiff prays for relief and judgment, as follows:  
28

1 (a) determining that this action is a proper class action under Rule 23 of  
2 the Federal Rules of Civil Procedure;

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

8 (c) awarding Plaintiff and the Class their reasonable costs and expenses  
9 incurred in this action, including counsel fees and expert fees; and  
10

11 (d) such other and further relief as the Court may deem just and proper.  
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13 **JURY TRIAL DEMANDED**

14 Plaintiff hereby demands a trial by jury.  
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16 Dated: September 28, 2015  
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