



Contact:  
Allan Ripp 212-262-7477 [arippnyc@aol.com](mailto:arippnyc@aol.com)

## Barroway Topaz Announces \$62 Million Settlement in Comverse Technology Stock Option Backdating Derivative Case

*\$60 million to be paid by former Comverse CEO Kobi Alexander; former general counsel and CFO also contributing, along with auditor Deloitte; additional corporate governance reforms undertaken*

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NEW YORK (December 28, 2009) –Barroway Topaz Kessler Meltzer & Check, LLP and co-counsel representing shareholders of Comverse Technology have reached a \$62 million settlement stemming from alleged stock option backdating practices by former directors and officers of the communications technology company, including Comverse's former CEO Jacob "Kobi" Alexander.

The settlement was announced by Barroway Topaz and Milberg LLP, which represented derivative plaintiffs in New York State Supreme Court, along with Bernstein Litowitz, which represented derivative plaintiffs in an action pending in the U.S. District Court for the Eastern District of New York. In addition to obtaining payments in excess of \$62 million, Comverse agreed to undertake significant corporate governance reforms.

The bulk of the settlement, \$60 million, will be paid to Comverse by Mr. Alexander, who fled to Namibia in 2006 to avoid federal fraud charges related to the options backdating scheme. His contribution will substantially assist Comverse in funding a \$225 million class action settlement announced earlier this month.

In addition, Comverse's former General Counsel William Sorin and former Chief Financial Officer David Kreinberg will collectively pay more than one million dollars to Comverse. This amount is in addition to previous payments they made to the Securities and Exchange Commission. Mr. Sorin and Mr. Kreinberg will also relinquish certain counterclaims against the company. Several other defendants who were previously members of Comverse's compensation committee will collectively forfeit 155,500 outstanding unexercised options.

Other parties participating in the settlement include several former members of the company's board, and Comverse's auditor during the period of the backdating scheme, Deloitte & Touche LLP.

In addition to the monetary terms of the settlement, Comverse has agreed to adopt or keep in place new corporate governance policies including:

- The Chairman of the Board will be an independent director;
- The positions of Chairman of the Board and Chief Executive Officer will be held by different persons;
- At least one member of the Audit Committee will qualify as an "audit committee financial expert" as defined by the SEC;
- An internal audit unit that reports directly to the Audit Committee was created.

"The settlement of the derivative actions against Comverse concludes a major chapter in the stock options backdating saga that tarnished scores of leading companies and diminished millions of ordinary shareholders at the expense of

self-interested executives and directors,” said partner Lee D. Rudy, who handled the matter alongside partners Eric L. Zagar and Michael C. Wagner, and associate Tara P. Kao.

“It is especially meaningful that a large piece of the settlement comes directly from several former key executives at Comverse, including Kobi Alexander, who became one of the more notorious symbols of the options scandal and who flaunted his excesses by fleeing the country rather than face a U.S. court for his own abuses of his company’s compensation policies,” said Mr. Zagar. “We believe the payments made by these individuals, along with the governance reforms now in place at Comverse, help return some of its deserved reputation as one of the world’s great communications providers.”

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#### **About Barroway Topaz**

Barroway Topaz Kessler Meltzer & Check, LLP represents institutional investors and shareholders internationally in securities class actions, corporate governance actions, as well as ERISA, consumer, antitrust and derivative litigation. The firm has recovered billions of dollars for shareholders in the last five years and has been named among the top firms for shareholder recovery by RiskMetrics Group every year since 2003. For more information, please visit: [www.btkmc.com](http://www.btkmc.com)