

MAGNACHIP SEMICONDUCTOR Corp
Form 8-K
December 11, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 10, 2015

MagnaChip Semiconductor Corporation
(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

c/o MagnaChip Semiconductor S.A.

001-34791
(Commission
File Number)

83-0406195
(IRS Employer
Identification No.)

Not Applicable

1, Allée Scheffer, L-2520

Luxembourg, Grand Duchy of Luxembourg

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (352) 45-62-62

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

On December 10, 2015, MagnaChip Semiconductor Corporation (the Company) and certain of its current and former officers and directors entered into a Memorandum of Understanding with the plaintiffs' representatives to memorialize an agreement in principle to settle the consolidated securities class action lawsuit, *Thomas, et al. v. MagnaChip Semiconductor Corp. et al.*, Civil Action No. 3:14-CV-01160-JST, pending in the United States District Court for the Northern District of California (the Class Action Litigation). The proposed settlement releases all claims asserted against all defendants in the Class Action Litigation except for Avenue Capital Management II, L.P. and does not release claims asserted in the derivative actions *Hemmingson, et al. v. Elkins, et al.*, No. 1-15-CV-278614 (PHK) (Cal. Super. Ct. Santa Clara Cnty.) and *Bushansky v. Norby, et al.*, No. 1-15-CV-281284 (PHK) (Cal. Super. Ct. Santa Clara Cnty.) (the Derivative Actions). The Class Action Litigation and the Derivative Actions are more fully described in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2015.

The Memorandum of Understanding provides for an aggregate settlement payment by the Company of \$23.5 million, which includes all attorneys' fees, costs of administration and plaintiffs' out-of-pocket expenses, lead plaintiff compensatory awards and disbursements. The Company expects the settlement will be fully funded by insurance proceeds. The settlement includes the dismissal of all claims against the Company and the named individuals in the Class Action Litigation without any liability or wrongdoing attributed to them. The settlement described in the Memorandum of Understanding remains subject to stockholder notice, court approval and other customary conditions.

Safe Harbor for Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included in this report, including expectations about the settlement of the Class Action Litigation and expectations of insurance proceeds are based upon information available to the Company as of the date of this report, which may change, and the Company assumes no obligation to update any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from the Company's current expectations. Factors that could cause or contribute to such differences include the risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, as well as the possibility that the court may materially alter or fail to approve the terms of the settlement in the Memorandum of Understanding. The Company assumes no obligation and does not intend to update the forward-looking statements provided, whether as a result of new information, future events or otherwise.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAGNACHIP SEMICONDUCTOR CORPORATION

Dated: December 11, 2015

By: /s/ Theodore Kim
Theodore Kim
Chief Compliance Officer, Executive Vice
President, General Counsel and Secretary