

Exchange Act of 1934. Specifically, it was alleged that throughout the class period Faro represented that its reported financial results were truthful and accurate. However, it was further alleged that throughout the class period Faro misrepresented certain information regarding Faro's financial performance and its system of internal controls in order to increase and maintain the company's stock price. Faro's representations, it was alleged, regarding its sales, gross margin and profit income calculations were false and misleading when issued. Specifically, the Amended Complaint stated that on November 3, 2005, Faro disclosed that its prior class period statements regarding the value of its inventory, its gross margin and its profits had been false and misleading because its inventory had been overvalued by between \$1.6 and \$2.1 million and that its prior class period statements regarding its alleged systems of internal controls had been false and misleading. Moreover, it was further alleged that on January 19, 2006, Faro disclosed that its 2005 class period statements regarding the selling expenses it had incurred and expected to incur were false and misleading because these expenses were materially \$2.5 million higher than previously reported and/or anticipated and that its prior class period statements regarding its alleged systems of internal controls had been false and misleading. Finally, plaintiffs and the class alleged that on March 15, 2006, Faro was forced to reveal that certain of the Asian sales that it had reported during the class period had been the product of material, unlawful payments, and violation of the Foreign Corrupt Practices Act ("FCPA"), 15 U.S.C. §§ 78dd, and that its prior class period statements regarding its alleged system of internal controls had been false and misleading.

*Settlement: \$6,875,000. October 3, 2008.*

#### MISCELLANEOUS CASES

1.) **Settlement for Securities Fraud. — *In re: Faro Technologies, Inc., Securities Litigation.* United States District Court for the Middle District of Florida.**

John F. Edgar and John M. Edgar (Kansas City) for Plaintiffs and the class. Skadden, Arps, Slate, Meagher & Flom LLP (New York) for Defendants. Plaintiffs and the class alleged the Defendants violated the Securities