

SanDisk IL, Ltd. f/k/a msystems Ltd., No. 08 Civ. 8069 (AKH), SDIL petitioned to confirm the award pursuant to the dispute resolution provisions of the Agreement and Section 207 of the Federal Arbitration Act, 9 U.S.C. § 207. On September 22, 2008, Samsung withdrew its petition for vacatur and asked the Court to immediately enter judgment against itself with respect to SDIL's petition to confirm. On September 24, 2008, the Court entered judgment in favor of SDIL on SDIL's petition to confirm the award. On October 7, 2008, SDIL filed a motion for attorneys' fees and expenses incurred in connection with Samsung's withdrawn petition to vacate the award. On October 20, 2008, after Samsung offered to pay in full the expenses claimed by SDIL, the motion for attorneys' fees and expenses was denied by the District Court.

On September 14, 2008, Daniel Harkabi and Gidon Elazar, former employees and founders of MDRM, Inc., filed a breach of contract action in the U.S. District Court for the Southern District of New York seeking earn-out payments of approximately \$3.8 million in connection with SanDisk's acquisition of MDRM, Inc. in fiscal year 2004. A mediation was held in June 2007, as required by the acquisition agreement, but was unsuccessful. The Company filed its answer on November 14, 2008 and discovery is proceeding.

On September 17, 2008, a purported shareholder class action, captioned McBride v. Federman, et al., Case No. 1-08-CV-122921, was filed in the Superior Court of California in Santa Clara County. The lawsuit was brought by a purported shareholder of the Company and names as defendants the Company and its directors, Irwin Federman, Steven J. Gomo, Dr. Eli Harari, Eddy W. Hartenstein, Catherine P. Lego, Michael E. Marks, and Dr. James D. Meindl. The complaint alleges breach of fiduciary duty by the Company and its directors in rejecting Samsung Electronics Co., Ltd.'s non-binding proposal to acquire all of the outstanding common stock of the Company for \$26.00 per share. On September 29, 2008, plaintiff served his first request for production of documents on the Company. On October 17, 2008, the Company and its directors filed a demurrer seeking dismissal of the lawsuit, and plaintiff served his first requests for production of documents on the Company's directors. On November 4, 2008, the parties filed a stipulation to dismiss the litigation without prejudice, with each party to bear its own costs. On November 11, 2008, the Court dismissed the case without prejudice.

On October 1, 2008, NorthPeak Wireless LLC ("NorthPeak") filed suit against the Company and 30 other named defendants including Dell, Inc., Fujitsu Computer Systems Corp., Gateway, Inc., Hewlett-Packard Company and Toshiba America, Inc., in the United States District Court for the Northern District of Alabama, Northeastern Division. The suit, Case No. CV-08-J-1813, alleges infringement of U.S. Patents 4,977,577 and 5,978,058 by certain of the Company's discontinued wireless electronic products. On January 21, 2009, the Court granted a motion by the defendants to transfer the case to the United States District Court for the Northern District of California, where it is now Case No. 3:09-CV-01813.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the fourth quarter of fiscal year 2008.