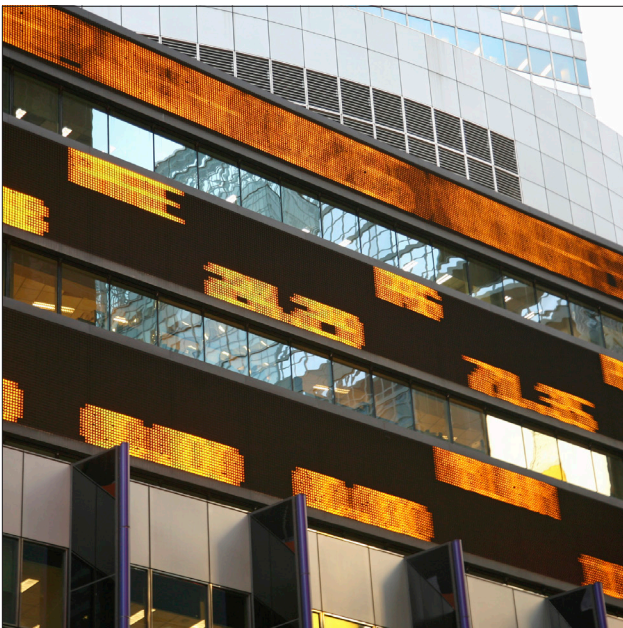


# Rigorous Investigation Helps Avoid SEC Penalty

Client:	<b>Juniper Networks</b>
Area of Law:	Corporate Investigations
Venues:	U.S. Securities and Exchange Commission, Department of Justice
Result:	U.S. Securities and Exchange Commission, Department of Justice



*“Pillsbury’s guidance enabled us to far surpass the high standards that apply to an independent board-level investigation. Pillsbury was expert, thorough, responsive and instilled confidence throughout.”*

—Ken Goldman, Juniper Networks Audit Committee Chairman

Juniper Networks is a Silicon Valley powerhouse with annual revenues in excess of \$2 billion, more than 5,000 employees and a current market capitalization of over \$17 billion.

In 2006, the company regrettably became associated with stock option backdating after the Center for Financial Research & Analysis identified it as having among “the highest risk of having backdated options.” Within days, Juniper received a federal grand jury subpoena, an SEC investigation notice and its first shareholder suit over alleged backdating. When the company missed its next Form 10-Q deadline, a delisting notice arrived from NASDAQ. An eventual restatement of nearly \$900 million attracted further attention.

The company’s Board of Directors immediately launched an independent investigation and response. Responsibility for that investigation rested with the Board’s Audit Committee, which turned to Pillsbury.

Pillsbury collected over 3.3 terabytes of electronic data and interviewed dozens of current and former Juniper employees, analyzing more than 16,000 employee stock option grants made on 119 different grant dates. In addition, by meeting regularly with the SEC and the U.S. Attorney’s Office, Pillsbury helped Juniper deliver on Juniper’s publicly stated commitment to full cooperation.

Pillsbury’s investigation and interactions with the SEC and U.S. Attorney’s Office resulted in a highly favorable outcome. Juniper paid no fine, disgorgement or monetary penalty in settling its SEC investigation.