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OCT 23 2009

RECEIVED BY CLERK  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA**

FILED BY FAX  
PURSUANT TO LOCAL RULES

Individually and on Behalf of  
All Others Similarly Situated,

Plaintiff,

v.

HANSEN MEDICAL, INC., FREDERIC H.  
MOLL, AND STEVEN M. VAN DICK,

Defendants.

**C09 05094**

CLASS ACTION

**COMPLAINT FOR VIOLATIONS  
OF THE FEDERAL SECURITIES  
LAWS**

DEMAND FOR JURY TRIAL

JF  
RS

1 Plaintiff [REDACTED] by and through his attorneys, alleges the following upon information  
2 and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal  
3 knowledge. Plaintiff's information and belief is based upon, among other things, his counsel's  
4 investigation, which includes without limitation: (a) review and analysis of regulatory filings made  
5 by Hansen Medical, Inc. ("Hansen" or the "Company"), with the United States Securities and  
6 Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued  
7 by and disseminated by Hansen; and (c) review of other publicly available information concerning  
8 Hansen.  
9

10 **NATURE OF THE ACTION AND OVERVIEW**

11  
12 1. This is a federal class action on behalf of purchasers of Hansen's securities  
13 between May 1, 2008 and October 18, 2009, inclusive (the "Class Period"), seeking to pursue  
14 remedies under the Securities Exchange Act of 1934 (the "Exchange Act").

15 2. Hansen develops products and technology using robotics for the accurate positioning,  
16 manipulation and control of catheters and catheter-based technologies. Its first product, the Sensei@  
17 Robotic Catheter system, is a robotic navigation system that enables clinicians to place mapping  
18 catheters in hard-to-reach anatomical locations within the heart easily, accurately and with stability  
19 during complex cardiac arrhythmia procedures.  
20

21 3. On October 19, 2009, Hansen shocked investors when it revealed that the audit  
22 committee of Hansen's board of directors, upon the recommendation of management, concluded that  
23 the previously issued financial statements contained in the Company's annual report on Form 10-K  
24 for the year ended December 31, 2008, and the Company's quarterly reports on Form 10-Q for the  
25 quarters ended March 31, 2008, June 30, 2008, September 30, 2008, March 31, 2009 and June 30,  
26 2009, should no longer be relied upon because of errors in those financial statements, arising from  
27  
28

1 “potential irregularities outside of the accounting department.” In addition, Hansen indicated that  
2 the related press releases, reports and stockholder communications describing the Company’s  
3 financial statements for the identified periods and the report of Hansen’s independent registered  
4 accounting firm, PricewaterhouseCoopers LLP, related to the year ended December 31, 2008, should  
5 also no longer be relied upon. According to the Company, Hansen identified systems for which  
6 revenue should have been recognized in a later period than the period in which it was recognized and  
7 revenue on systems that should have been reflected as deferred revenue on our balance sheet as of  
8 June 30, 2009.  
9

10  
11 4. On this news, shares of Hansen declined \$0.31 per share, more than 9%, to close  
12 on October 19, 2009, at \$3.12 per share, on unusually heavy volume.

13 5. Throughout the Class Period, Defendants made false and/or misleading statements,  
14 as well as failed to disclose material adverse facts about the Company's business, operations, and  
15 prospects. Specifically, Defendants made false and/or misleading statements and/or failed to  
16 disclose: (1) that the Company improperly recognized revenue; (2) that, as a result, the Company’s  
17 revenue and financial results were overstated during the Class Period; (3) that the Company’s  
18 financial results were not prepared in accordance with Generally Accepted Accounting Principles  
19 (“GAAP”); (4) that the Company lacked adequate internal and financial controls; and (5) that, as a  
20 result of the above, the Company's financial statements were materially false and misleading at all  
21 relevant times.  
22

23  
24 6. As a result of Defendants' wrongful acts and omissions, and the precipitous decline  
25 in the market value of the Company's securities, Plaintiff and other Class members have suffered  
26 significant losses and damages.

**JURISDICTION AND VENUE**

1  
2 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act  
3 (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. §  
4 240.10b-5).

5  
6 8. This Court has jurisdiction over the subject matter of this action pursuant to 28  
7 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

8 9. Venue is proper in this Judicial District pursuant to §28 U.S.C. §1391(b), §27 of  
9 the Exchange Act (15 U.S.C. §78aa(c)).

10 10. Venue is proper in this Judicial District pursuant to 28 U.S.C. §1391(b) and Section  
11 27 of the Exchange Act (15 U.S.C. §78aa(c)). Substantial acts in furtherance of the alleged fraud  
12 or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein,  
13 including the preparation and dissemination of materially false and/or misleading information,  
14 occurred in substantial part in this District. Additionally, Hansen maintains its principal executive  
15 offices within this Judicial District.

16  
17 11. In connection with the acts, transactions, and conduct alleged herein, Defendants  
18 directly and indirectly used the means and instrumentalities of interstate commerce, including the  
19 United States mail, interstate telephone communications, and the facilities of a national securities  
20 exchange.

21  
22 **PARTIES**

23 12. Plaintiff [REDACTED], as set forth in the accompanying certification, incorporated  
24 by reference herein, purchased Hansen common stock during the Class Period, and suffered damages  
25 as a result of the federal securities law violations and false and/or misleading statements and/or  
26

1 material omissions alleged herein.

2 13. Defendant Hansen is a Delaware corporation with its principal executive offices  
3 located at 800 East Middlefield Road, Mountain View, California, 94043.

4 14. Defendant Frederic H. Moll ("Moll") was, at all relevant times, Chief Executive  
5 Officer ("CEO") and a director of Hansen, and was, at all relevant times, President of Hansen since  
6 March 2009.

7 15. Defendant Steven M. Van Dick ("Van Dick") was, at all relevant times, Chief  
8 Financial Officer ("CFO") and Vice President, Finance and Administration, of Hansen.

9 16. Defendants Moll and Van Dick are collectively referred to hereinafter as the  
10 "Individual Defendants." The Individual Defendants, because of their positions with the Company,  
11 possessed the power and authority to control the contents of Hansen's reports to the SEC, press  
12 releases and presentations to securities analysts, money and portfolio managers and institutional  
13 investors, *i.e.*, the market. Each defendant was provided with copies of the Company's reports and  
14 press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the  
15 ability and opportunity to prevent their issuance or cause them to be corrected. Because of their  
16 positions and access to material non-public information available to them, each of these defendants  
17 knew that the adverse facts specified herein had not been disclosed to, and were being concealed  
18 from, the public, and that the positive representations which were being made were then materially  
19 false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein,  
20 as those statements were each "group-published" information, the result of the collective actions of  
21 the Individual Defendants.  
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1 **SUBSTANTIVE ALLEGATIONS**

2 **Background**

3 17. Hansen develops products and technology using robotics for the accurate positioning,  
4 manipulation and control of catheters and catheter-based technologies. Its first product, the Sensei®  
5 Robotic Catheter system, is a robotic navigation system that enables clinicians to place mapping  
6 catheters in hard-to-reach anatomical locations within the heart easily, accurately and with stability  
7 during complex cardiac arrhythmia procedures.  
8

9 **Materially False and Misleading**  
10 **Statements Issued During the Class Period**

11 18. The Class Period begins on May 1, 2008. On this day, Hansen issued a press release  
12 entitled, "HANSEN MEDICAL REPORTS 2008 FIRST QUARTER RESULTS." Therein, the  
13 Company, in relevant part, stated:  
14

15 **Robotic System Installed Base Increases by More Than 50%; Catheter**  
16 **Shipments Nearly Double Compared to Prior Quarter**

17 MOUNTAIN VIEW, Calif., May 1, 2008 – Hansen Medical, Inc. (Nasdaq: HNSN),  
18 a developer of new generation robotic technology for accurate and stable control of  
19 catheter movement in 3D during cardiac procedures, today reported its business  
20 highlights and financial results for the first quarter ended March 31, 2008.

21 **Recent Business Highlights**

- 22 • System Sales: The company recognized revenue on eight Sensei™  
23 Robotic Catheter Systems sold during the first quarter, which brings  
24 the total worldwide system placements to 23, including 14 in the  
25 United States and nine in Europe.
- 26 • Catheter Sales: 401 Artisan™ Control Catheters were shipped in the  
27 first quarter, which exceeds the number of catheters shipped during  
28 all of 2007.
- Collaboration with St. Jude Medical: The company's CoHesion™

1 3D Visualization Module—a module integrating the 3D movement  
2 of the Sensei system with the 3D visualization of the Ensite™  
3 system from St. Jude Medical—has been configured in six systems  
4 in Europe. Clearance for the integrated system by the U.S. Food &  
5 Drug Administration (FDA) is expected by mid-2008.

- 6 • **Enhanced Manufacturing Capabilities:** Previous and ongoing  
7 investments made to improve the company's manufacturing  
8 capabilities are proving to be effective as the manufacturing capacity  
9 of the Sensei system increased to an average of three systems per  
10 month during the first quarter, and manufacturing yields of the  
11 Artisan control catheter were approximately 90% at the end of the  
12 period.
- 13 • **Secondary Financing:** In April 2008, the company completed a  
14 successful secondary public offering of common stock, selling three  
15 million shares with net proceeds to the company of approximately  
16 \$39.4 million.

17 “I am pleased to report that since commercialization, we have achieved four  
18 consecutive quarters of increases in the number of systems placed,” said Frederic  
19 Moll, M.D., co-founder and chief executive officer of Hansen Medical. “In this past  
20 quarter, we recorded revenue on eight Sensei Robotic Catheter Systems, bringing the  
21 number of units we have recognized revenue on - which we refer to as our installed  
22 base - to 23 systems in our first 10 months of commercialization. First quarter  
23 shipments represent more than a 50% increase in our installed base, which now  
24 includes 14 systems in the United States and nine in Europe. Additionally, the 401  
25 catheters sold in the first quarter exceeded the number shipped during all of 2007 and  
26 is nearly double the prior quarter's catheter shipments.

27 “As the demand for our platform continues to grow, the investments we have made  
28 to increase manufacturing capacity and improve catheter yields will allow us to meet  
customer expectations and expand our worldwide market presence more efficiently,”  
concluded Dr. Moll.

#### **2008 First Quarter Financial Results**

Total revenue for the three months ended March 31, 2008 was \$6.2 million. During  
the quarter, the company recorded revenue on the sale of eight Sensei systems  
(including five in the United States and three Sensei systems in Europe), shipments  
of 401 Artisan control catheters and one CoHesion module. No revenues were  
recorded in the same period in 2007.

Cost of goods sold for the three months ended March 31, 2008 was \$4.9 million and

1 included non-cash stock compensation expense of \$161,000. Gross profit for the  
2 quarter was \$1.3 million yielding in a gross margin of 21%. There were no costs of  
3 goods sold, gross profit or gross margin recorded in the same period in 2007. The  
4 company expects that cost of goods sold, both as a percentage of revenue and on a  
5 dollar basis for the remainder of 2008, will continue to fluctuate from quarter to  
6 quarter as revenue grows, manufacturing levels change, scale up of both in-house and  
7 contract manufacturing processes to full commercial levels is achieved, and as the  
8 company transitions into a new manufacturing facility.

9 Research and development expenses for the three months ended March 31, 2008,  
10 including non-cash stock compensation expense of \$570,000, were \$5.2 million,  
11 compared to \$5.1 million for the same period in 2007, which included non-cash stock  
12 compensation expense of \$720,000. Prior to the second quarter of 2007, the company  
13 was in the development stage and all manufacturing expenses, including provisions  
14 for inventory valuation, were included in research and development expenses.  
15 Beginning with commercialization in the second quarter of 2007, the company's  
16 manufacturing expenses were included in cost of goods sold. Research and  
17 development expenses for the three months ended March 31, 2007 included  
18 development-stage manufacturing expenses of \$1.0 million. The remaining change  
19 in research and development expenses was due primarily to increased compensation  
20 expenses related to higher headcount necessary for the development of our Sensei  
21 system and the disposable Artisan catheters for the EP market, percutaneous valve  
22 replacement application and other future applications.

23 Selling, general and administrative expenses for the three months ended March 31,  
24 2008, including non-cash stock compensation expense of \$1.3 million, were \$8.1  
25 million, compared to \$4.5 million for the same period in 2007, which included  
26 non-cash stock compensation expense of \$1.1 million. The increase in selling,  
27 general and administrative expenses was due primarily to increased compensation  
28 expenses related to higher headcount necessary to support continued growth, legal  
costs for the development of the company's intellectual property portfolio and other  
IP and litigation-related legal costs, lease costs for the new facility and increased  
non-cash stock compensation expenses. The company expects selling, general and  
administrative expenses to increase during the remainder of this year due to the  
continued growth of its sales and clinical support groups and the expansion of its  
intellectual property portfolio.

Other income, net, for the three months ended March 31, 2008 was \$352,000,  
compared to \$982,000 for the same period in 2007. The decrease was primarily due  
to lower interest income related to lower average cash, cash equivalents and  
short-term investments as a result of cash used in operations and the acquisition of  
AorTx.

1 Net loss for the three months ended March 31, 2008, including non-cash stock  
2 compensation expense of \$2.0 million, was \$11.6 million, or \$(0.53) per basic and  
3 diluted share, based on an average basic and diluted shares outstanding of 21.8  
4 million. This compares to a net loss of \$8.6 million, or \$(0.40) per basic and diluted  
5 share, based on an average basic and diluted shares outstanding of 21.4 million, for  
6 the same period in 2007, which included non-cash stock compensation expense of  
7 \$1.8 million.

8 Cash, cash equivalents and short-term investments as of March 31, 2008 were \$32.8  
9 million, compared to \$48.6 million as of December 31, 2007. The decrease is due  
10 mainly to the company's normal operating expenses and \$2.3 million in capital  
11 expenditures primarily related to the build out of the new facility. Subsequent to the  
12 end of the first quarter, in April 2008, the company successfully completed a  
13 secondary public offering of common stock, selling three million shares with net  
14 proceeds to the company of approximately \$39.4 million.

15 (Emphasis in original).

16 19. On May 12, 2008, Hansen filed its Quarterly Report with the SEC on Form 10-Q  
17 for the 2008 fiscal first quarter. The Company's Form 10-Q was signed by Defendant Moll and  
18 reaffirmed the Company's financial results previously announced on May 1, 2008. The Company's  
19 Form 10-Q also contained Sarbanes-Oxley required certifications, signed by Defendants Moll and  
20 Van Dick, who certified:

- 21 1. I have reviewed this Quarterly Report on Form 10-Q of Hansen Medical, Inc.;
- 22 2. Based on my knowledge, this report does not contain any untrue statement of  
23 a material fact or omit to state a material fact necessary to make the  
24 statements made, in light of the circumstances under which such statements  
25 were made, not misleading with respect to the period covered by this report;
- 26 3. Based on my knowledge, the financial statements, and other financial  
27 information included in this report, fairly present in all material respects the  
28 financial condition, results of operations and cash flows of the registrant as  
of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing  
and maintaining disclosure controls and procedures (as defined in Exchange  
Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial

1 reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the  
2 registrant and have:

3 (a) Designed such disclosure controls and procedures, or caused such  
4 disclosure controls and procedures to be designed under our  
5 supervision, to ensure that material information relating to the  
6 registrant, including its consolidated subsidiaries, is made known to  
us by others within those entities, particularly during the period in  
which this report is being prepared;

7 (b) Designed such internal control over financial reporting, or caused  
8 such internal control over financial reporting to be designed under our  
9 supervision, to provide reasonable assurance regarding the reliability  
10 of financial reporting and the preparation of financial statements for  
external purposes in accordance with generally accepted accounting  
principles;

11 (c) Evaluated the effectiveness of the registrant's disclosure controls and  
12 procedures and presented in this report our conclusions about the  
13 effectiveness of the disclosure controls and procedures, as of the end  
of the period covered by this report based on such evaluation; and

14 (d) Disclosed in this report any change in the registrant's internal control  
15 over financial reporting that occurred during the registrant's most  
16 recent fiscal quarter (the registrant's fourth fiscal quarter in the case  
17 of an annual report) that has materially affected, or is reasonably  
likely to materially affect, the registrant's internal control over  
financial reporting; and

18 5. The registrant's other certifying officer and I have disclosed, based on our  
19 most recent evaluation of internal control over financial reporting, to the  
20 registrant's auditors and the audit committee of the registrant's board of  
directors (or persons performing the equivalent functions):

21 (a) All significant deficiencies and material weaknesses in the design or  
22 operation of internal control over financial reporting which are  
23 reasonably likely to adversely affect the registrant's ability to record,  
process, summarize and report financial information; and

24 (b) Any fraud, whether or not material, that involves management or  
25 other employees who have a significant role in the registrant's  
26 internal control over financial reporting.

1           20.     On July 31, 2008, Hansen issued a press release entitled, "HANSEN MEDICAL  
2 REPORTS 2008 SECOND QUARTER RESULTS." Therein, the Company, in relevant part, stated:

3           **Company Recognizes Revenue on Eight Systems and Ships Two Additional**  
4           **Systems**

5           MOUNTAIN VIEW, CA, Jul 31, 2008 -- Hansen Medical, Inc. (NASDAQ: HNSN),  
6           a developer of new generation flexible robotic technology, today reported its business  
7           highlights and financial results for the second quarter ended June 30, 2008.

8           **Recent Business Highlights**

- 9           •       Systems: The company recognized revenue on eight Sensei Robotic  
10           Systems and shipped two additional systems for which revenue is  
11           expected to be recognized in the third quarter. Through June 30,  
12           2008, the company has recognized revenue on a total of 31 systems  
13           (which we refer to as our installed base), including 21 in the United  
14           States and 10 in Europe.
- 15           •       Catheter Sales: 279 Artisan(TM) Control Catheters were shipped in  
16           the second quarter.
- 17           •       Regulatory Milestones: The company's CoHesion(TM) 3D  
18           Visualization Module -- a module integrating the 3D movement of  
19           the Sensei system with the Ensite(TM) 3D visualization system of St.  
20           Jude Medical -- received 510(k) clearance from the U.S. Food &  
21           Drug Administration (FDA) at the end of the second quarter. As part  
22           of this 510(k) clearance, the FDA also completed its review of the  
23           company's IntelliSense technology.
- 24           •       Enhanced Manufacturing Capabilities: As a result of ongoing  
25           investments made to improve its manufacturing capabilities, the  
26           company has increased Sensei System manufacturing capacity to five  
27           systems per month and has exceeded a four-week inventory of Artisan  
28           Control Catheters.
- 29           •       Secondary Financing: During the second quarter, the company  
30           successfully completed a secondary public offering of common stock,  
31           selling three million shares with net proceeds to the company of  
32           approximately \$39.5 million.

33           "I am very pleased with what we have accomplished during our first full year of  
34           commercialization," said Frederic Moll, M.D., co-founder and chief executive officer  
35           of Hansen Medical. "During this past quarter, we achieved a number of important  
36           milestones that give us a high level of confidence in our ability to execute our  
37           business plan as we continue to build momentum. This includes the successful

1 completion of a secondary offering of common stock, regulatory clearance for the  
2 CoHesion 3D Visualization Module which included a review of our IntelliSense  
3 feature, and significant improvements in our manufacturing capacity to help meet the  
demand for our technology going forward," concluded Dr. Moll.

#### 4 **2008 Second Quarter Financial Results**

5 Total revenue for the three months ended June 30, 2008 was \$5.8 million compared  
6 to revenue of \$2.4 million in the same period in 2007, equating to a 139% increase  
7 over the same period in 2007. The company recognized revenue on eight Sensei  
8 Robotic Systems, as well as on shipments of 279 Artisan control catheters and one  
stand-alone CoHesion module.

9 Cost of goods sold for the three months ended June 30, 2008 was \$4.7 million and  
10 included non-cash stock compensation expense of \$171,000. Gross profit for the  
11 quarter was \$1.1 million, yielding a gross margin of 18.5%. This compares to gross  
12 profit of \$781,000 and gross margin of 32.1% for the same period in 2007, which  
13 included non-cash stock compensation expense of \$87,000. During the second  
14 quarter last year, gross profit benefited from the sale of inventory totaling \$478,000,  
15 which had been previously written down. The company expects that cost of goods  
sold for the remainder of 2008, both as a percentage of revenue and on a dollar basis,  
will continue to fluctuate from quarter to quarter as revenues change, manufacturing  
levels change, scale-up of contract manufacturing processes continues, and the  
company transitions into its new manufacturing facility.

16 Research and development expenses for the three months ended June 30, 2008,  
17 including non-cash stock compensation expense of \$763,000, were \$6.3 million,  
18 compared to \$4.4 million for the same period in 2007, which included non-cash stock  
19 compensation expense of \$566,000. The increase in research and development  
20 expenses was primarily due to increased employee-related expenses due to higher  
21 headcount, increased outside services, materials and overhead expenses, along with  
22 higher non-cash stock compensation expenses. The company anticipates research and  
development expenses will continue to increase moderately during the remainder of  
2008 as the company continues development activities for the electrophysiology  
market, continues its development of its percutaneous aortic valve technology and  
explores other future potential applications.

23 Selling, general and administrative expenses for the three months ended June 30,  
24 2008, including non-cash stock compensation expense of \$2.0 million, were \$10.0  
25 million, compared to \$5.2 million for the same period in 2007, which included  
26 non-cash stock compensation expense of \$1.0 million. The increase in selling,  
general and administrative expenses was primarily due to increased employee-related  
expenses related to higher headcount necessary to support continued growth, legal

1 costs related to procuring and protecting the company's intellectual property, lease  
2 costs for the new facility and increased non-cash stock compensation expenses. The  
3 company expects selling, general and administrative expenses to increase moderately  
4 during the remainder of this year as it continues to expand its sales and clinical  
5 support groups.

6 Other income, net, for the three months ended June 30, 2008 was \$323,000,  
7 compared to \$853,000 for the same period in 2007. The decrease was primarily due  
8 to lower interest income related to lower balances of average cash, cash equivalents  
9 and short-term investments. These lower balances resulted primarily from cash used  
10 in operations and the Company's 2007 acquisition of AorTx, Inc., partially offset by  
11 cash received from the company's equity offering in April 2008.

12 Net loss for the three months ended June 30, 2008, including total non-cash stock  
13 compensation expense of \$2.9 million, was \$14.9 million, or \$(0.61) per basic and  
14 diluted share, based on average basic and diluted shares outstanding of 24.6 million  
15 shares. Net loss for the second quarter of 2007, including non-cash stock  
16 compensation expense of \$1.7 million, was \$7.9 million, or \$(0.37) per basic and  
17 diluted share, based on average basic and diluted shares outstanding of 21.5 million  
18 shares, for the same period in 2007.

19 Cash, cash equivalents and short-term investments as of June 30, 2008 were \$54.6  
20 million, compared to \$48.6 million as of December 31, 2007. The increase is due  
21 mainly to the company's April 2008 secondary public offering, in which the company  
22 sold three million shares of common stock with net proceeds of approximately \$39.5  
23 million. This was partially offset by normal operating expenses and \$9.5 million in  
24 capital expenditures during the first six months of 2008 primarily related to the  
25 build-out of the new facility.

26 (Emphasis in original).

27 21. On August 5, 2008, Hansen filed its Quarterly Report with the SEC on Form 10-Q  
28 for the 2008 fiscal second quarter. The Company's Form 10-Q was signed by Defendant Moll and  
Van Dick, and reaffirmed the Company's financial results previously announced on July 31, 2008.  
The Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by  
Defendants Moll and Van Dick, substantially similar to the certifications contained in ¶19, *supra*.

22. On October 23, 2008, Hansen issued a press release entitled, "HANSEN MEDICAL

1 REPORTS 2008 THIRD QUARTER RESULTS.” Therein, the Company, in relevant part, stated:

2 **Company Achieves Record Quarterly Revenues, System Sales and Catheter**  
3 **Shipments**

4 MOUNTAIN VIEW, CA, Oct 23, 2008 -- Hansen Medical, Inc. (NASDAQ: HNSN),  
5 the global leader in flexible robotics and the developer of robotic technology for  
6 accurate 3D control of catheter movement, today reported its business highlights and  
7 financial results for the third quarter ended September 30, 2008.

8 **Recent Business Highlights for Third Quarter 2008**

- 9 • System Sales: The company recognized revenue on a single-quarter  
10 record of 14 Sensei(TM) Robotic Catheter Systems, which brings the  
11 total worldwide number of systems on which the company has  
12 recognized revenue (which the company refers to as its installed base)  
13 to 45, including 30 in the United States and 15 in Europe.
- 14 • Catheter Sales: The company shipped and recognized revenue on 423  
15 Artisan(TM) Control Catheters, also a record for a single quarter.
- 16 • Revenue Growth: The company generated revenues of \$10.9 million,  
17 a 214% year-over-year increase and the highest quarterly result in the  
18 company's history.
- 19 • Clinical Case Utilization: Clinicians continue to embrace the  
20 company's robotic technology. To date, well over 1,000 clinical cases  
21 have been performed using the Sensei system.
- 22 • Additional Applications: Excellent recent progress made in  
23 investigating the use of the Sensei system outside of  
24 electrophysiology, including applications in vascular surgery and  
25 structural heart disease.
- 26 • Financing Activities: During the third quarter, the company  
27 successfully completed a \$25 million debt facility comprised of a \$15  
28 million equipment line of credit and a \$10 million asset-backed  
revolver.

21 "The third quarter was our most successful commercial quarter to date and I am very  
22 pleased with our accomplishments," said Frederic Moll, M.D., co-founder and chief  
23 executive officer of Hansen Medical. "During this record-breaking quarter, we  
24 achieved the highest quarterly level of revenues, system sales and catheter shipments  
25 in the history of our company. I continue to be impressed with the enthusiasm  
26 expressed for our technology by customers in a variety of different hospital settings.  
27 While we continue to build a strong position in the electrophysiology market, we also  
28 have exciting longer-term opportunities in applications for vascular surgery and  
structural heart disease, and I am pleased with recent progress made in expanding the

1 utility of our platform," concluded Dr. Moll.

2 **2008 Third Quarter Financial Results**

3 Total revenue for the three months ended September 30, 2008 was \$10.9 million, a  
4 214% increase compared to revenue of \$3.5 million in the same period in 2007. The  
5 company recognized revenue on 14 Sensei Robotic Systems, including nine systems  
6 configured with the CoHesion(TM) module, as well as on shipments of 423 Artisan  
control catheters.

7 Cost of goods sold for the three months ended September 30, 2008 was \$6.6 million  
8 and included non-cash stock compensation expense of \$168,000. Gross profit for the  
9 quarter was \$4.2 million, yielding a gross margin of 38.9%. This compares to gross  
10 profit of \$189,000 and gross margin of 5.5% for the same period in 2007, which  
11 included non-cash stock compensation expense of \$153,000. During the most recent  
12 quarter, the company experienced an increase in the overhead applied to its  
13 inventory, primarily due to the company's move into a new facility. This increase was  
14 fully realized once the preexisting inventory had been sold. Had the company  
15 experienced those higher inventory costs for the entire quarter, cost of goods sold and  
16 gross profit would have been negatively impacted by approximately \$900,000. The  
17 company expects that cost of goods sold for the remainder of 2008 and 2009, both  
18 as a percentage of revenue and on a dollar basis, will continue to fluctuate from  
19 quarter to quarter as revenues change, manufacturing levels increase to utilize more  
20 of the existing capacity at our new facility and as the scale-up of contract  
21 manufacturing processes continue.

22 Research and development expenses for the three months ended September 30, 2008,  
23 including non-cash stock compensation expense of \$668,000, were \$7.2 million,  
24 compared to \$4.5 million for the same period in 2007, which included non-cash stock  
25 compensation expense of \$590,000. The increase in research and development  
26 expenses was primarily due to increased employee-related expenses due primarily to  
27 higher headcount, increased outside services, materials and overhead expenses, along  
28 with higher non-cash stock compensation expenses. The company anticipates  
research and development expenses will continue to increase moderately during the  
remainder of 2008 as the company continues development activities for the  
electrophysiology market and explores other future potential applications.

Selling, general and administrative expenses for the three months ended September  
30, 2008, including non-cash stock compensation expense of \$1.9 million, were \$8.9  
million, compared to \$6.5 million for the same period in 2007, which included  
non-cash stock compensation expense of \$1.8 million. The increase in selling,  
general and administrative expenses was primarily due to increased employee-related  
expenses related to higher headcount necessary to support continued growth, legal

1 costs related to procuring and protecting the company's intellectual property and  
2 increased non-cash stock compensation expenses. The company expects selling,  
3 general and administrative expenses to increase moderately during the remainder of  
4 this year as it continues to expand its sales and clinical support groups.

5 Other loss, net, for the three months ended September 30, 2008 was \$28,000,  
6 compared to other income, net, of \$801,000 for the same period in 2007. The change  
7 was primarily due to higher interest expense due to the company's borrowings under  
8 its new equipment line of credit, in addition to lower interest income related to lower  
9 balances of average cash, cash equivalents and short-term investments.

10 Net loss for the three months ended September 30, 2008, including total non-cash  
11 stock compensation expense of \$2.7 million, was \$12.0 million, or \$(0.48) per basic  
12 and diluted share, based on average basic and diluted shares outstanding of 25.1  
13 million shares. Net loss for the third quarter of 2007, including non-cash stock  
14 compensation expense of \$2.5 million, was \$10.0 million, or \$(0.46) per basic and  
15 diluted share, based on average basic and diluted shares outstanding of 21.6 million  
16 shares.

17 Cash, cash equivalents and short-term investments as of September 30, 2008 were  
18 \$45.6 million, compared to \$48.6 million as of December 31, 2007. The lower cash  
19 balance is due to the company's operating expenses and \$17.2 million in capital  
20 expenditures during the first nine months of 2008 primarily related to the build-out  
21 of the company's new facility, partially offset by capital raised from financing  
22 activities during the year.

### 23 **2008 Nine-Month Financial Results**

24 Total revenue for the nine months ended September 30, 2008 was \$22.9 million,  
25 compared to \$5.9 million for the same period last year. The company's net loss for  
26 the nine months ended September 30, 2008, including non-cash stock compensation  
27 expense of \$7.6 million, was \$38.5 million, or \$(1.61) per basic and diluted share,  
28 based on an average basic and diluted shares outstanding of 23.9 million. This  
compares to a net loss of \$26.5 million, or \$(1.23) per basic and diluted share, based  
on an average basic and diluted shares outstanding of 21.5 million, for the same  
period last year, which included non-cash stock compensation expense of \$6.0  
million.

(Emphasis in original).

23. On November 5, 2008, Hansen filed its Quarterly Report with the SEC on Form  
10-Q for the 2008 fiscal third quarter. The Company's Form 10-Q was signed by Defendant Moll

1 and Van Dick, and reaffirmed the Company's financial results previously announced on October 23,  
2 2008. The Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by  
3 Defendants Moll and Van Dick, substantially similar to the certifications contained in ¶19, *supra*.

4  
5 24. On February 12, 2009, Hansen issued a press release entitled, "HANSEN MEDICAL  
6 REPORTS 2008 FOURTH QUARTER AND YEAR-END RESULTS." Therein, the Company, in  
7 relevant part, stated:

8 **40 Sensei(TM) Robotic Catheter Systems Placed During 2008 Bringing**  
9 **Worldwide Installed Base to 55 Systems After 20 Months of Commercialization**

10 MOUNTAIN VIEW, CA, Feb 12, 2009 -- Hansen Medical, Inc. (NASDAQ: HNSN),  
11 the global leader in flexible robotics and the developer of robotic technology for  
12 accurate 3D control of catheter movement, today reported its business highlights and  
13 financial results for the fourth quarter and full-year ended December 31, 2008.

14 **Recent Business Highlights**

- 15 • **System Sales:** During the fourth quarter, the company recognized  
16 revenue on 10 Sensei Robotic Systems and shipped one additional  
17 system for which revenue is expected to be recognized in the first  
18 quarter of 2009. For the full year of 2008, the company recognized  
19 revenue on 40 systems. Through December 31, 2008, the company  
20 has recognized revenue on a total of 55 systems (which the company  
21 refers to as its installed base), including 36 in the United States and  
22 19 in Europe.
- 23 • **Catheter Sales:** The company shipped and recognized revenue on 520  
24 Artisan<sup>TM</sup> Control Catheters in the fourth quarter, a record for a  
25 single quarter.
- 26 • **Revenue Growth:** The company generated fourth quarter revenues of  
27 \$7.3 million, a 74% year-over-year increase. Full-year 2008 revenues  
28 are \$30.2 million.
- **CoHesion Adoption:** Of the 10 systems sold in the fourth quarter,  
seven were configured with CoHesion modules, and two additional  
CoHesion modules were sold to the existing installed base.
- **Philips Partnership:** The company recently announced joint  
development and cooperation agreements with Royal Philips  
Electronics to co-develop integrated products for the  
electrophysiology (EP) market targeting applications to enhance

1 visualization capabilities.

2 "I am pleased with our progress and accomplishments during this past year," said  
3 Frederic Moll, M.D., co-founder and chief executive officer of Hansen Medical.  
4 "Adoption rates for our technology have been strong, with an installed base of 55  
5 systems worldwide since we began commercial shipments in May 2007. In addition,  
6 we made important investments in our business and established partnerships that we  
7 believe put us in a position to significantly expand our technology in the years ahead.  
8 We are also encouraged by the progress we are making in markets outside EP and  
9 believe that this success provides evidence of the opportunity to leverage the Sensei  
10 platform into a variety of other interventional applications," concluded Dr. Moll.

### 11 **2008 Fourth Quarter Financial Results**

12 Total revenue for the three months ended December 31, 2008 was \$7.3 million, a  
13 74% increase compared to revenue of \$4.2 million in the same period in 2007. The  
14 company recognized revenue on 10 Sensei Robotic Systems, including seven systems  
15 configured with the CoHesion™ module, as well as on shipments of 520 Artisan  
16 control catheters.

17 Cost of goods sold for the three months ended December 31, 2008 was \$5.2 million  
18 and included non-cash stock compensation expense of \$210,000. Gross profit for the  
19 quarter was \$2.1 million, yielding a gross margin of 28.7%. This compares to gross  
20 profit of negative \$23,000 and negative gross margin of 0.5% for the same period in  
21 2007, which included non-cash stock compensation expense of \$139,000. The  
22 company expects that cost of goods sold for 2009, both as a percentage of revenue  
23 and on a dollar basis, will continue to vary from quarter to quarter as manufacturing  
24 levels fluctuate and as revenues fluctuate due to changes in system sales volumes,  
25 product mix and average sales prices per system.

26 Research and development expenses for the three months ended December 31, 2008,  
27 including non-cash stock compensation expense of \$741,000, were \$6.8 million,  
28 compared to \$5.1 million for the same period in 2007, which included non-cash stock  
compensation expense of \$494,000. The increase in research and development  
expenses was primarily due to increased employee-related expenses due primarily to  
higher average headcount, increased outside services, materials and overhead  
expenses, along with higher non-cash stock compensation expenses. In 2009, the  
company expects research and development expenses to decline modestly from levels  
in 2008 as it carefully manages expenses related to development efforts for the EP  
market and other applications and realizes savings from the company's recently  
completed reduction in force.

Selling, general and administrative expenses for the three months ended December

1 31, 2008, including non-cash stock compensation expense of \$2.7 million, were  
2 \$10.1 million, compared to \$7.9 million for the same period in 2007, which included  
3 non-cash stock compensation expense of \$1.4 million. The increase in selling,  
4 general and administrative expenses was primarily due to increased employee-related  
5 expenses related to higher average headcount necessary to support continued growth,  
6 legal costs related to procuring and protecting the company's intellectual property,  
7 separation costs for two executives and increased non-cash stock compensation  
8 expenses. In 2009, the company expects selling, general and administrative expenses  
9 to decline slightly from 2008 levels as a result of careful expense management and  
10 savings realized from the recently completed reduction in force.

11 Other loss, net, for the three months ended December 31, 2008 was \$102,000,  
12 compared to other income, net, of \$545,000 for the same period in 2007. The change  
13 was primarily due to higher interest expense due to the company's borrowings under  
14 its new equipment line of credit, in addition to lower interest income related to lower  
15 balances of average cash, cash equivalents and short-term investments.

16 Net loss for the three months ended December 31, 2008, including total non-cash  
17 stock compensation expense of \$3.6 million, was \$14.9 million, or \$(0.59) per basic  
18 and diluted share, based on average basic and diluted shares outstanding of 25.2  
19 million shares. Net loss for the fourth quarter of 2007, including non-cash stock  
20 compensation expense of \$2.0 million, was \$23.9 million, or \$(1.10) per basic and  
21 diluted share, based on average basic and diluted shares outstanding of 21.7 million  
22 shares.

23 Cash, cash equivalents and short-term investments as of December 31, 2008 were  
24 \$35.2 million, compared to \$48.6 million as of December 31, 2007. The lower cash  
25 balance is due to the company's operating expenses and \$18.4 million in capital  
26 expenditures during 2008, primarily related to the build-out of the company's new  
27 facility, partially offset by capital raised from financing activities during the year.

### 28 **2008 Full-Year Financial Results**

Total revenue for the year ended December 31, 2008 was \$30.2 million, compared  
to \$10.1 million for the same period last year. The company's net loss for 2008,  
including non-cash stock compensation expense of \$11.2 million, was \$53.4 million,  
or \$(2.21) per basic and diluted share, based on an average basic and diluted shares  
outstanding of 24.2 million. This compares to a net loss of \$50.4 million, or \$(2.33)  
per basic and diluted share, based on an average basic and diluted shares outstanding  
of 21.6 million, for 2007, which included non-cash stock compensation expense of  
\$8.0 million.

(Emphasis in original).

1           25.     On March 16, 2009, Hansen filed its Annual Report with the SEC on Form 10-K  
2 for the 2008 fiscal year. The Company's Form 10-K was signed by Defendant Moll and reaffirmed  
3 the Company's financial results previously announced on February 12, 2009. The Company's Form  
4 10-K also contained Sarbanes-Oxley required certifications, signed by Defendants Moll and Van  
5 Dick, substantially similar to the certifications contained in ¶19, *supra*.

6  
7           26.     On May 5, 2009, Hansen issued a press release entitled, "HANSEN MEDICAL  
8 REPORTS 2009 FIRST QUARTER RESULTS ." Therein, the Company, in relevant part, stated:

9           **10 Sensei® Robotic Catheter Systems Sold During Quarter**

10           MOUNTAIN VIEW, CA, May 05, 2009 -- Hansen Medical, Inc. (NASDAQ:  
11 HNSN), the global leader in flexible medical robotics and the developer of robotic  
12 technology for accurate 3D control of catheter movement, today reported its business  
13 highlights and financial results for the first quarter ended March 31, 2009.

14           **Recent Business Highlights**

- 15           •     System Sales: During the first quarter, the company recognized  
16 revenue on 10 Sensei Robotic Systems. Through March 31, 2009, the  
17 company has recognized revenue on a total of 65 systems (which the  
18 company refers to as its installed base), including 43 in the United  
19 States and 22 in international markets.
- 20           •     Catheter Sales: The company shipped approximately 600 Artisan(R)  
21 Control Catheters in the first quarter, a record for a single quarter.
- 22           •     Equity Financing: In April 2009, the company completed a successful  
23 public offering of common stock, selling approximately 11.7 million  
24 shares with net proceeds to the company of approximately \$35.1  
25 million.
- 26           •     Luna Litigation: Also in April 2009, a jury awarded the company  
27 approximately \$36.3 million in damages, finding in favor of the  
28 company on its breach of contract, breach of the covenant of good  
faith and fair dealing, and misappropriation of trade secrets claims  
against Luna Innovations Incorporated. The jury verdict and recovery  
of damages remain subject to post-trial motions and appeals, as well  
as collection risks.
- Clinical Findings: Clinical study results published in Pacing and  
Clinical Electrophysiology demonstrate reduced procedure time,

1 radiation exposure and RF energy and improved efficacy when  
2 comparing procedures performed with Sensei systems with manual  
3 procedures for ablation of paroxysmal atrial fibrillation.

- 4 • Advanced Cardiac Therapeutics Relationship: The company recently  
5 announced an equity investment in privately-held Advanced Cardiac  
6 Therapeutics, Inc. and secured the exclusive rights to certain  
7 intellectual property for robotic applications.

8 "Sensei system sales are off to a good start in 2009 and I continue to be pleased with  
9 the rate of adoption of our technology," said Frederic Moll, M.D., president and chief  
10 executive officer of Hansen Medical. "While our pipeline of potential customers  
11 remains solid, the sluggish global economy has extended the length of the average  
12 sales cycle for Sensei systems and resulted in some price elasticity of demand.  
13 However, based on the enthusiasm expressed for our technology by a growing group  
14 of clinicians and what we believe is a superior value proposition versus the  
15 competition, I remain confident in our ability to expand our business in 2009," said  
16 Dr. Moll.

#### 17 **2009 First Quarter Financial Results**

18 Total revenue for the three months ended March 31, 2009 was \$7.1 million, a 14%  
19 increase compared to revenue of \$6.2 million in the same period in 2008. The  
20 company recognized revenue on 10 Sensei Robotic Systems, including seven systems  
21 configured with the CoHesion(R) module, as well as on shipments of approximately  
22 600 Artisan control catheters.

23 Cost of goods sold for the three months ended March 31, 2009 was \$5.2 million and  
24 included non-cash stock compensation expense of \$223,000. Gross profit for the  
25 quarter was \$1.9 million, yielding a gross margin of 26.4%. This compares to gross  
26 profit of \$1.3 million and gross margin of 20.9% for the same period in 2008, which  
27 included non-cash stock compensation expense of \$161,000. The company expects  
28 that cost of goods sold for 2009, both as a percentage of revenue and on a dollar  
basis, will continue to vary from quarter to quarter as manufacturing levels fluctuate  
and as revenues fluctuate due to changes in system and catheter sales volumes,  
product mix and average sales prices per system and per catheter.

Research and development expenses for the three months ended March 31, 2009,  
including non-cash stock compensation expense of \$620,000, were \$5.7 million,  
compared to \$5.2 million for the same period in 2008, which included non-cash stock  
compensation expense of \$570,000. The increase in research and development  
expenses was primarily due to increased outside services, materials and overhead  
expenses, partially offset by decreases in employee-related expenses due primarily  
to lower average headcount and a one week furlough. In 2009, the company expects

1 research and development expenses to decline modestly from levels in 2008 as it  
2 carefully manages expenses related to development efforts for the EP market and  
3 other applications and realizes savings from the company's recently completed  
4 reduction in force and the one week per quarter furlough.

5 Selling, general and administrative expenses for the three months ended March 31,  
6 2009, including non-cash stock compensation expense of \$1.8 million, were \$10.1  
7 million, compared to \$8.1 million for the same period in 2008, which included  
8 non-cash stock compensation expense of \$1.3 million. The increase in selling,  
9 general and administrative expenses was primarily due to increased litigation costs,  
10 executive severance costs and commissions, partially offset by decreased  
11 employee-related expenses related to lower average headcount and one week  
12 furlough. In 2009, the company expects selling, general and administrative expenses  
13 to decline slightly from 2008 levels as a result of careful expense management and  
14 savings realized from the recently completed reduction in force and a one week per  
15 quarter furlough.

16 Other expense, net, for the three months ended March 31, 2009 was \$445,000,  
17 compared to other income, net, of \$352,000 for the same period in 2008. The change  
18 was primarily due to higher interest expense due to the company's borrowings under  
19 its equipment line of credit, in addition to lower interest income related to lower  
20 balances of average cash, cash equivalents and short-term investments.

21 Net loss for the three months ended March 31, 2009, including total non-cash stock  
22 compensation expense of \$2.6 million, was \$14.3 million, or \$(0.57) per basic and  
23 diluted share, based on average basic and diluted shares outstanding of 25.3 million  
24 shares. Net loss for the first quarter of 2008, including non-cash stock compensation  
25 expense of \$2.0 million, was \$11.6 million, or \$(0.53) per basic and diluted share,  
26 based on average basic and diluted shares outstanding of 21.8 million shares.

27 Cash, cash equivalents and short-term investments as of March 31, 2009 were \$29.3  
28 million, compared to \$35.2 million as of December 31, 2008. The lower cash balance  
is primarily due to the company's normal operating expenses. Subsequent to the end  
of the first quarter, in April 2009, the company successfully completed a secondary  
public offering of common stock, selling approximately 11.7 million shares with net  
proceeds to the company, after estimated expenses, of approximately \$35.1 million.

(Emphasis in original).

27. On May 8, 2009, Hansen filed its Quarterly Report with the SEC on Form 10-Q  
for the 2009 fiscal first quarter. The Company's Form 10-Q was signed by Defendant Moll and Van

1 Dick, and reaffirmed the Company's financial results previously announced on May 5, 2009. The  
2 Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by Defendants  
3 Moll and Van Dick, substantially similar to the certifications contained in ¶19, *supra*.

4 28. On August 4, 2009, Hansen issued a press release entitled, "HANSEN MEDICAL  
5 REPORTS 2009 SECOND QUARTER RESULTS." Therein, the Company, in relevant part, stated:

6 MOUNTAIN VIEW, CA, Aug 04, 2009 -- Hansen Medical, Inc. (NASDAQ:  
7 HNSN), the global leader in flexible medical robotics and the developer of robotic  
8 technology for accurate 3D control of catheter movement, today reported its recent  
9 business highlights and financial results for the second quarter ended June 30, 2009.

#### 10 **Recent Business Highlights**

- 11 • **System Sales:** During the second quarter, the company recognized  
12 revenue on three Sensei(TM) Robotic Systems and shipped three  
13 additional systems. From commercial launch through June 30, 2009,  
14 the company has recognized revenue on a total of 68 systems (which  
the company refers to as its installed base), including 43 in the United  
States and 25 in international markets.
- 15 • **Catheter Sales:** The company shipped 626 Artisan(TM) Control  
16 Catheters in the second quarter, approximately 100 of which were  
sold to a single international medical center.
- 17 • **Selected Product Development Initiatives:** The company is currently  
18 developing a next-generation Sensei platform and Artisan catheter  
19 that will extend the procedural capabilities of robotic catheter control  
20 by providing advanced levels of instinctive control, accuracy, reach  
and ease of use. The company expects to receive Food & Drug  
Administration (FDA) clearance for these new products by the end of  
21 the third quarter of 2009.
- 22 • **Equity Financing:** In April 2009, the company completed a public  
offering of common stock, selling approximately 11.7 million shares  
with net proceeds to the company of approximately \$35.3 million.

23 "I believe that we are taking the right steps to weather the current macroeconomic  
24 challenges and to put ourselves in a position to expand our business as market  
25 conditions improve," said Frederic Moll, M.D., president and chief executive officer  
26 of Hansen Medical. "Despite lower than expected Sensei system sales in the second  
quarter, our pipeline of potential customers is healthy and catheter sales were at a  
new quarterly high. In addition, I am excited about the progress we are making in

1 enhancing our current platform and developing new capabilities for our technology.  
2 I am also encouraged by the progress we have made to reduce spending and improve  
3 our cost structure during these challenging times," said Dr. Moll.

### 4 **2009 Second Quarter Financial Results**

5 Total revenue for the three months ended June 30, 2009 was \$3.3 million, a 43%  
6 decrease compared to revenue of \$5.8 million in the same period in 2008. The  
7 company recognized revenue on three Sensei Robotic Systems, including one system  
8 configured with the CoHesion(R) module, as well as on shipments of 626 Artisan  
9 control catheters.

10 Cost of goods sold for the three months ended June 30, 2009 was \$2.9 million and  
11 included non-cash stock compensation expense of \$214,000. As a result, gross profit  
12 for the quarter was \$0.4 million and a gross margin of 10.9%. This compares to gross  
13 profit of \$1.1 million and gross margin of 18.5% for the same period in 2008, which  
14 included non-cash stock compensation expense of \$171,000. The company expects  
15 that cost of goods sold for 2009, both as a percentage of revenue and on a dollar  
16 basis, will continue to vary from quarter to quarter as manufacturing levels fluctuate  
17 and as revenues fluctuate due to changes in system and catheter sales volumes,  
18 product mix and average sales prices per system and per catheter.

19 Research and development expenses for the three months ended June 30, 2009,  
20 including non-cash stock compensation expense of \$688,000, were \$5.0 million,  
21 compared to \$6.3 million for the same period in 2008, which included non-cash stock  
22 compensation expense of \$763,000. The decrease in research and development  
23 expenses was primarily the result of decreases in employee-related expenses due  
24 primarily to lower average headcount and a one week furlough in the 2009 period.  
25 In 2009, the company expects research and development expenses to decline  
26 modestly from levels in 2008 as it carefully manages expenses related to  
27 development efforts for the electrophysiology (EP) market and other applications and  
28 realizes savings from the company's reduction in force and other cost reduction  
efforts.

21 Selling, general and administrative expenses for the three months ended June 30,  
22 2009, including non-cash stock compensation expense of \$1.0 million, were \$9.9  
23 million, compared to \$10.0 million for the same period in 2008, which included  
24 non-cash stock compensation expense of \$2.0 million. The decrease in selling,  
25 general and administrative expenses was primarily due to decreased employee-related  
26 expenses, related to lower average headcount and a one week furlough, and a  
27 decrease in non-cash stock compensation expense, partially offset by increased  
28 litigation costs and a \$1.1 million charge for the impairment of certain assets related  
to the company's decision to terminate its relationship with its European

1 subcontractor for the manufacture of catheters. In 2009, the company expects selling,  
2 general and administrative expenses to decline slightly from 2008 levels as a result  
3 of careful expense management and savings realized from the reduction in force and  
4 other cost reduction efforts.

4 Other expense, net, for the three months ended June 30, 2009 was \$115,000,  
5 compared to other income, net, of \$323,000 for the same period in 2008. The change  
6 was primarily due to higher interest expense due to the company's borrowings under  
7 its equipment line of credit, in addition to lower interest income related to lower  
8 interest rate returns earned on the Company's balances of cash, cash equivalents and  
9 short-term investments.

8 Net loss for the three months ended June 30, 2009, including total non-cash stock  
9 compensation expense of \$1.9 million, was \$14.6 million, or \$(0.42) per basic and  
10 diluted share, based on average basic and diluted shares outstanding of 35.2 million  
11 shares. Net loss for the second quarter of 2008, including non-cash stock  
12 compensation expense of \$2.9 million, was \$14.9 million, or \$(0.60) per basic and  
13 diluted share, based on average basic and diluted shares outstanding of 24.7 million  
14 shares.

13 Cash, cash equivalents and short-term investments as of June 30, 2009 were \$51.4  
14 million, compared to \$35.2 million as of December 31, 2008. The higher cash, cash  
15 equivalents and short-term investments balance is primarily due to the successful  
16 completion a secondary public offering of common stock in the second quarter of  
17 2009, which included the sale of approximately 11.7 million shares with net proceeds  
18 to the company, after expenses, of approximately \$35.3 million.

17 (Emphasis in original).

18 29. On August 6, 2009, Hansen filed its Quarterly Report with the SEC on Form 10-Q  
19 for the 2009 fiscal second quarter. The Company's Form 10-Q was signed by Defendant Moll and  
20 Van Dick, and reaffirmed the Company's financial results previously announced on August 4, 2009.  
21 The Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by  
22 Defendants Moll and Van Dick, substantially similar to the certifications contained in ¶19, *supra*.

24 30. The statements contained in ¶¶18-29, were materially false and/or misleading  
25 when made because defendants failed to disclose or indicate the following: (1) that the Company  
26

1 improperly recognized revenue; (2) that, as a result, the Company's revenue and financial results  
2 were overstated during the Class Period; (3) that the Company's financial results were not prepared  
3 in accordance with GAAP; (4) that the Company lacked adequate internal and financial controls; and  
4 (5) that, as a result of the above, the Company's financial statements were materially false and  
5 misleading at all relevant times.

### 6 The Truth Begins To Emerge

7  
8 31. On October 19, 2009, Hansen issued a press release entitled, "HANSEN MEDICAL  
9 ANNOUNCES NEED TO RESTATE PRIOR FINANCIAL RESULTS." Therein, the Company,  
10 in relevant part, stated:

11 MOUNTAIN VIEW, Calif., October 19, 2009 – Hansen Medical, Inc. (Nasdaq:  
12 HNSN) today announced that it plans to restate its financial statements for the year  
13 ended December 31, 2008 and for the quarters ended March 31, 2008, June 30, 2008,  
14 September 30, 2008, March 31, 2009 and June 30, 2009 in order to correct certain  
15 errors, some of which arose from potential irregularities occurring outside of the  
16 accounting department, regarding the timing of revenue recognition on the sale of  
17 some of its Sensei® Robotic Catheter Systems. Through June 30, 2009 Hansen  
18 shipped 68 systems based on valid customer purchase orders for which revenue was  
19 recognized. Hansen has received full payment for all but two of these systems. Of  
20 these two systems, Hansen has not been paid for one system on which it recognized  
21 revenue in the quarter ended June 30, 2009 and to date has received partial payment  
22 of \$320,000 on the sale of a system to a distributor on which it recognized revenue  
23 in the quarter ended March 31, 2009. An investigation by Hansen's audit committee,  
with the assistance of independent outside counsel, has identified systems for which  
revenue should have been recognized in a later period than the period in which it was  
recognized and revenue on a smaller number of systems that should have been  
reflected as deferred revenue on Hansen's balance sheet as of June 30, 2009. As  
software is more than incidental to the functioning of the Sensei system, Hansen's  
revenue recognition policy is based on American Institute of Certified Public  
Accountants, Statement of Position 97-2, Software Revenue Recognition.

24 Hansen's review is ongoing so it is not yet able to estimate the extent and timing of  
25 adjustments that will be required to its financial statements. The ultimate findings of  
26 Hansen's ongoing review and the impact of these matters on Hansen's results of  
operations as previously reported is not yet known. Hansen is working diligently

1 towards completing the restatement and filing its quarterly report on Form 10-Q for  
2 the period ended September 30, 2009.

3 Hansen is filing with the Securities and Exchange Commission a Current Report on  
4 Form 8-K with further information on these matters.

5 32. On October 19, 2009, Hansen filed a Current Report with the SEC on Form 8-K.

6 Therein, the Company, in relevant part, stated:

7 **ITEM 4.02. NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL**  
8 **STATEMENTS OR A RELATED AUDIT REPORT OR COMPLETED**  
9 **INTERIM REVIEW.**

10 (a) On October 15, 2009, the audit committee of our board of directors, upon the  
11 recommendation of management, concluded that the previously issued financial  
12 statements contained in our annual report on Form 10-K for the year ended December  
13 31, 2008, and our quarterly reports on Form 10-Q for the quarters ended March 31,  
14 2008, June 30, 2008, September 30, 2008, March 31, 2009 and June 30, 2009  
15 (collectively, the "Prior Periods") should no longer be relied upon because of errors  
16 in those financial statements, some of which arose from potential irregularities  
17 outside of the accounting department. Through June 30, 2009, we shipped 68 Sensei  
18 Robotic Catheter Systems based on valid customer purchase orders for which  
19 revenue was recognized. We have received full payment for all but two of these  
20 systems. Of these two systems, we have not been paid for one system on which we  
21 recognized revenue in the quarter ended June 30, 2009 and to date have received  
22 partial payment of \$320,000 on the sale of system to a distributor on which we  
23 recognized revenue in the quarter ended March 31, 2009. We have identified systems  
24 for which revenue should have been recognized in a later period than the period in  
25 which it was recognized and revenue on a smaller number of systems that should  
26 have been reflected as deferred revenue on our balance sheet as of June 30, 2009.

27 In addition to the financial statements for the Prior Periods referenced above, related  
28 press releases, reports and stockholder communications describing our financial  
statements for the Prior Periods and the report of our independent registered  
accounting firm, PricewaterhouseCoopers LLP, related to the year ended December  
31, 2008, should no longer be relied upon.

Our revenues are primarily derived from the sale of our Sensei system. As software  
is more than incidental to the functioning of our Sensei system, our revenue  
recognition policy is based on American Institute of Certified Public Accountants,  
Statement of Position 97-2, Software Revenue Recognition, or SOP 97-2. Under our  
policy, revenues are recognized when, among other conditions, delivery to the

1 customer has occurred and our services have been fully rendered. Since most of our  
2 sales contracts for systems include installation and training services and because we  
3 do not have vendor-specific objective evidence of the fair value of these services, we  
4 are required by SOP 97-2 to defer all such system revenues until training and  
5 installation is completed. We also sell systems to independent distributors, and have  
6 recognized revenue upon shipment of systems to those distributors that we believed  
7 were independently capable of performing required installation and training.

8 The disclosures in this Form 8-K are the result of an investigation by our audit  
9 committee, with the assistance of independent outside counsel, that commenced  
10 following our receipt in August 2009 of an anonymous "whistleblower" report  
11 alleging a single irregularity that resulted in improper revenue recognition in the  
12 quarter ended December 31, 2008. As a result of the investigation, the audit  
13 committee and management have determined that there are instances where revenue  
14 recognition occurred prior to the completion of all our obligations to customers. In  
15 addition, the investigation may result in a determination that one or more distributors  
16 were not independently capable of installing systems at the time we first recognized  
17 revenue of systems purchased by such distributor(s).

18 (Emphasis in original).

19 33. On this news, shares of Hansen declined \$0.31 per share, or 9.04%, to close on  
20 October 19, 2009, at \$3.12 per share, on heavy volume.

21 **HANSEN'S VIOLATION OF GAAP RULES**  
22 **IN ITS FINANCIAL STATEMENTS**  
23 **FILED WITH THE SEC**

24 34. These financial statements and the statements about the Company's financial results  
25 were false and misleading, as such financial information was not prepared in conformity with GAAP,  
26 nor was the financial information a fair presentation of the Company's operations due to the  
27 Company's improper accounting for, and disclosure about its revenues, in violation of GAAP rules.

28 35. GAAP are those principles recognized by the accounting profession as the  
conventions, rules and procedures necessary to define accepted accounting practice at a particular  
time. Regulation S-X (17 C.F.R. § 210.4 01(a) (1)) states that financial statements filed with the SEC

1 which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate.  
2 Regulation S-X requires that interim financial statements must also comply with GAAP, with the  
3 exception that interim financial statements need not include disclosure which would be duplicative  
4 of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

5  
6 36. The fact that Hansen expects to restate its financial statements, and informed  
7 investors that these financial statements should not be relied upon is an admission that they were  
8 false and misleading when originally issued (APB No.20, 7-13; SFAS No. 154, 25).

9  
10 37. Given these accounting irregularities, the Company announced financial results  
11 that were in violation of GAAP and the following principles:

12 (a) The principle that "interim financial reporting should be based upon the same  
13 accounting principles and practices used to prepare annual financial statements" was violated (APB  
14 No. 28, 10);

15 (b) The principle that "financial reporting should provide information that is  
16 useful to present to potential investors and creditors and other users in making rational investment,  
17 credit, and similar decisions" was violated (FASB Statement of Concepts No. 1, 34);

18  
19 (c) The principle that "financial reporting should provide information about the  
20 economic resources of an enterprise, the claims to those resources, and effects of transactions,  
21 events, and circumstances that change resources and claims to those resources" was violated (FASB  
22 Statement of Concepts No. 1, 40);

23 (d) The principle that "financial reporting should provide information about an  
24 enterprise's financial performance during a period" was violated (FASB Statement of Concepts No.  
25 1, 42);  
26

1 (e) The principle that "financial reporting should provide information about how  
2 management of an enterprise has discharged its stewardship responsibility to owners (stockholders)  
3 for the use of enterprise resources entrusted to it" was violated (FASB Statement of Concepts No.  
4 1, 50);

6 (f) The principle that "financial reporting should be reliable in that it represents  
7 what it purports to represent" was violated (FASB Statement of Concepts No. 2, 58-59);

8 (g) The principle that "completeness, meaning that nothing is left out of the  
9 information that may be necessary to insure that it validly represents underlying events and  
10 conditions" was violated (FASB Statement of Concepts No. 2, 79); and

12 (h) The principle that "conservatism be used as a prudent reaction to uncertainty  
13 to try to ensure that uncertainties and risks inherent in business situations are adequately considered"  
14 was violated (FASB Statement of Concepts No. 2, 95).

15 38. The adverse information concealed by Defendants during the Class Period and  
16 detailed above was in violation of Item 303 of Regulation S-K under the federal securities law (17  
17 C.F.R. §229.303).

19 **CLASS ACTION ALLEGATIONS**

20 39. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil  
21 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased Hansen's  
22 securities between May 1, 2008 and October 18, 2009, inclusive (the "Class Period") and who were  
23 damaged thereby. Excluded from the Class are Defendants, the officers and directors of the  
24 Company, at all relevant times, members of their immediate families and their legal representatives,  
25 heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.  
26

1           40.     The members of the Class are so numerous that joinder of all members is  
2 impracticable. Throughout the Class Period, Hansen's securities were actively traded on National  
3 Association of Securities Dealers Automated Quotations Market ("NASDAQ"). While the exact  
4 number of Class members is unknown to Plaintiff at this time and can only be ascertained through  
5 appropriate discovery, Plaintiff believes that there are hundreds or thousands of members in the  
6 proposed Class. Millions of Hansen shares were traded publicly during the Class Period on the  
7 NASDAQ and as of July 31, 2009, Hansen had 37,420,821 shares of common stock outstanding.  
8 Record owners and other members of the Class may be identified from records maintained by  
9 Hansen or its transfer agent and may be notified of the pendency of this action by mail, using the  
10 form of notice similar to that customarily used in securities class actions.  
11

12  
13           41.     Plaintiff's claims are typical of the claims of the members of the Class as all  
14 members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal  
15 law that is complained of herein.

16  
17           42.     Plaintiff will fairly and adequately protect the interests of the members of the  
18 Class and has retained counsel competent and experienced in class and securities litigation.

19           43.     Common questions of law and fact exist as to all members of the Class and  
20 predominate over any questions solely affecting individual members of the Class. Among the  
21 questions of law and fact common to the Class are:

22                   (a)     Whether the federal securities laws were violated by Defendants' acts as  
23 alleged herein;

24                   (b)     Whether statements made by Defendants to the investing public during the  
25 Class Period omitted and/or misrepresented material facts about the business, operations, and  
26

1 prospects of Hansen; and

2 (c) To what extent the members of the Class have sustained damages and the  
3 proper measure of damages.

4 44. A class action is superior to all other available methods for the fair and efficient  
5 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
6 damages suffered by individual Class members may be relatively small, the expense and burden of  
7 individual litigation makes it impossible for members of the Class to individually redress the wrongs  
8 done to them. There will be no difficulty in the management of this action as a class action.  
9

10 **UNDISCLOSED ADVERSE FACTS**

11 45. The market for Hansen's securities was open, well-developed and efficient at all  
12 relevant times. As a result of these materially false and/or misleading statements, and/or failures to  
13 disclose, Hansen's securities traded at artificially inflated prices during the Class Period. Plaintiff  
14 and other members of the Class purchased or otherwise acquired Hansen's securities relying upon  
15 the integrity of the market price of the Company's securities and market information relating to  
16 Hansen, and have been damaged thereby.  
17

18 46. During the Class Period, Defendants materially misled the investing public, thereby  
19 inflating the price of Hansen's securities, by publicly issuing false and/or misleading statements  
20 and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth  
21 herein, not false and/or misleading. Said statements and omissions were materially false and/or  
22 misleading in that they failed to disclose material adverse information and/or misrepresented the  
23 truth about Hansen's business, operations, and prospects as alleged herein.  
24

25 47. At all relevant times, the material misrepresentations and omissions particularized  
26

1 in this Complaint directly or proximately caused or were a substantial contributing cause of the  
2 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
3 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
4 statements about Hansen's financial well-being and prospects. These material misstatements and/or  
5 omissions had the cause and effect of creating in the market an unrealistically positive assessment  
6 of the Company and its financial well-being and prospects, thus causing the Company's securities  
7 to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or  
8 misleading statements during the Class Period resulted in Plaintiff and other members of the Class  
9 purchasing the Company's securities at artificially inflated prices, thus causing the damages  
10 complained of herein.  
11

#### 12 LOSS CAUSATION

13  
14 48. Defendants' wrongful conduct, as alleged herein, directly and proximately caused  
15 the economic loss suffered by Plaintiff and the Class.

16  
17 49. During the Class Period, Plaintiff and the Class purchased Hansen's securities at  
18 artificially inflated prices and were damaged thereby. The price of the Company's securities  
19 significantly declined when the misrepresentations made to the market, and/or the information  
20 alleged herein to have been concealed from the market, and/or the effects thereof, were revealed,  
21 causing investors's losses.

#### 22 SCIENTER ALLEGATIONS

23  
24 50. As alleged herein, Defendants acted with scienter in that Defendants knew that the  
25 public documents and statements issued or disseminated in the name of the Company were  
26 materially false and/or misleading; knew that such statements or documents would be issued or  
27

1 disseminated to the investing public; and knowingly and substantially participated or acquiesced in  
2 the issuance or dissemination of such statements or documents as primary violations of the federal  
3 securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of  
4 information reflecting the true facts regarding Hansen, his/her control over, and/or receipt and/or  
5 modification of Hansen's allegedly materially misleading misstatements and/or their associations  
6 with the Company which made them privy to confidential proprietary information concerning  
7 Hansen, participated in the fraudulent scheme alleged herein.  
8

9           51. Additionally, during the Class Period, and with the Company's securities trading at  
10 artificially inflated prices, on or around April 22, 2009, the Company completed a public offering  
11 of more than 11,690,000 shares of Hanson's common stock at a price of \$3.25 per share, for net  
12 proceeds to the Company of more than \$35 million.  
13

14                           **APPLICABILITY OF PRESUMPTION OF RELIANCE**  
15                           **(FRAUD-ON-THE-MARKET DOCTRINE)**

16           52. The market for Hansen's securities was open, well-developed and efficient at all  
17 relevant times. As a result of the materially false and/or misleading statements and/or failures to  
18 disclose, Hansen's securities traded at artificially inflated prices during the Class Period. On May  
19 13, 2008, the price of the Company's common stock reached a Class Period high of \$19.57 per share.  
20 Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities  
21 relying upon the integrity of the market price of Hansen's securities and market information relating  
22 to Hansen, and have been damaged thereby.  
23

24           53. During the Class Period, the artificial inflation of Hansen's stock was caused by  
25 the material misrepresentations and/or omissions particularized in this Complaint causing the  
26

1 damages sustained by Plaintiff and other members of the Class. As described herein, during the  
2 Class Period, Defendants made or caused to be made a series of materially false and/or misleading  
3 statements about Hansen's business, prospects, and operations. These material misstatements and/or  
4 omissions created an unrealistically positive assessment of Hansen and its business, operations, and  
5 prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant  
6 times, and when disclosed, negatively affected the value of the Company stock. Defendants'  
7 materially false and/or misleading statements during the Class Period resulted in Plaintiff and other  
8 members of the Class purchasing the Company's securities at such artificially inflated prices, and  
9 each of them has been damaged as a result.  
10

11  
12 54. At all relevant times, the market for Hansen's securities was an efficient market  
13 for the following reasons, among others:

14 (a) Hansen stock met the requirements for listing, and was listed and actively  
15 traded on the NASDAQ, a highly efficient and automated market;

16 (b) As a regulated issuer, Hansen filed periodic public reports with the SEC  
17 and the NASDAQ;

18 (c) Hansen regularly communicated with public investors *via* established  
19 market communication mechanisms, including through regular dissemination of press releases on  
20 the national circuits of major newswire services and through other wide-ranging public disclosures,  
21 such as communications with the financial press and other similar reporting services; and  
22

23 (d) Hansen was followed by securities analysts employed by major brokerage  
24 firms who wrote reports about the Company, and these reports were distributed to the sales force and  
25 certain customers of their respective brokerage firms. Each of these reports was publicly available  
26

1 and entered the public marketplace.

2 55. As a result of the foregoing, the market for Hansen's securities promptly digested  
3 current information regarding Hansen from all publicly available sources and reflected such  
4 information in Hansen's stock price. Under these circumstances, all purchasers of Hansen's  
5 securities during the Class Period suffered similar injury through their purchase of Hansen's  
6 securities at artificially inflated prices and a presumption of reliance applies.  
7

8 **NO SAFE HARBOR**

9 56. The statutory safe harbor provided for forward-looking statements under certain  
10 circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The  
11 statements alleged to be false and misleading herein all relate to then-existing facts and conditions.  
12 In addition, to the extent certain of the statements alleged to be false may be characterized as forward  
13 looking, they were not identified as "forward-looking statements" when made and there were no  
14 meaningful cautionary statements identifying important factors that could cause actual results to  
15 differ materially from those in the purportedly forward-looking statements. In the alternative, to the  
16 extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded  
17 herein, Defendants are liable for those false forward-looking statements because at the time each of  
18 those forward-looking statements was made, the speaker had actual knowledge that the forward-  
19 looking statement was materially false or misleading, and/or the forward-looking statement was  
20 authorized or approved by an executive officer of Hansen who knew that the statement was false  
21 when made.  
22  
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27

1 **FIRST CLAIM**  
2 **Violation of Section 10(b) of**  
3 **The Exchange Act and Rule 10b-5**  
4 **Promulgated Thereunder Against All Defendants**

5 57. Plaintiff repeats and realleges each and every allegation contained above as if fully  
6 set forth herein.

7 58. During the Class Period, Defendants carried out a plan, scheme and course of  
8 conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing  
9 public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and  
10 other members of the Class to purchase Hansen's securities at artificially inflated prices. In  
11 furtherance of this unlawful scheme, plan and course of conduct, defendants, and each of them, took  
12 the actions set forth herein.

13 59. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue  
14 statements of material fact and/or omitted to state material facts necessary to make the statements  
15 not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a  
16 fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially  
17 high market prices for Hansen's securities in violation of Section 10(b) of the Exchange Act and  
18 Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal  
19 conduct charged herein or as controlling persons as alleged below.

20 60. Defendants, individually and in concert, directly and indirectly, by the use, means or  
21 instrumentalities of interstate commerce and/or of the mails, engaged and participated in a  
22 continuous course of conduct to conceal adverse material information about Hansen's financial  
23 well-being and prospects, as specified herein.  
24  
25  
26

1           61.     These defendants employed devices, schemes and artifices to defraud, while in  
2 possession of material adverse non-public information and engaged in acts, practices, and a course  
3 of conduct as alleged herein in an effort to assure investors of Hansen's value and performance and  
4 continued substantial growth, which included the making of, or the participation in the making of,  
5 untrue statements of material facts and/or omitting to state material facts necessary in order to make  
6 the statements made about Hansen and its business operations and future prospects in light of the  
7 circumstances under which they were made, not misleading, as set forth more particularly herein,  
8 and engaged in transactions, practices and a course of business which operated as a fraud and deceit  
9 upon the purchasers of the Company's securities during the Class Period.  
10

11           62.     Each of the Individual Defendants' primary liability, and controlling person liability,  
12 arises from the following facts: (i) the Individual Defendants were high-level executives and/or  
13 directors at the Company during the Class Period and members of the Company's management team  
14 or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities  
15 as a senior officer and/or director of the Company, was privy to and participated in the creation,  
16 development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii)  
17 each of these defendants enjoyed significant personal contact and familiarity with the other  
18 defendants and was advised of, and had access to, other members of the Company's management  
19 team, internal reports and other data and information about the Company's finances, operations, and  
20 sales at all relevant times; and (iv) each of these defendants was aware of the Company's  
21 dissemination of information to the investing public which they knew and/or recklessly disregarded  
22 was materially false and misleading.  
23

24           63.     The defendants had actual knowledge of the misrepresentations and/or omissions of  
25  
26

1 material facts set forth herein, or acted with reckless disregard for the truth in that they failed to  
2 ascertain and to disclose such facts, even though such facts were available to them. Such defendants'  
3 material misrepresentations and/or omissions were done knowingly or recklessly and for the purpose  
4 and effect of concealing Hansen's financial well-being and prospects from the investing public and  
5 supporting the artificially inflated price of its securities. As demonstrated by Defendants'  
6 overstatements and/or misstatements of the Company's business, operations, financial well-being,  
7 and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the  
8 misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by  
9 deliberately refraining from taking those steps necessary to discover whether those statements were  
10 false or misleading.  
11  
12

13         64. As a result of the dissemination of the materially false and/or misleading information  
14 and/or failure to disclose material facts, as set forth above, the market price of Hansen's securities  
15 was artificially inflated during the Class Period. In ignorance of the fact that market prices of the  
16 Company's securities were artificially inflated, and relying directly or indirectly on the false and  
17 misleading statements made by Defendants, or upon the integrity of the market in which the  
18 securities trades, and/or in the absence of material adverse information that was known to or  
19 recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during  
20 the Class Period, Plaintiff and the other members of the Class acquired Hansen's securities during  
21 the Class Period at artificially high prices and were damaged thereby.  
22

23         65. At the time of said misrepresentations and/or omissions, Plaintiff and other members  
24 of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other  
25 members of the Class and the marketplace known the truth regarding the problems that Hansen was  
26

1 experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class  
2 would not have purchased or otherwise acquired their Hansen securities, or, if they had acquired such  
3 securities during the Class Period, they would not have done so at the artificially inflated prices  
4 which they paid.

5  
6 66. By virtue of the foregoing, Defendants have violated Section 10(b) of the Exchange  
7 Act and Rule 10b-5 promulgated thereunder.

8 67. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the  
9 other members of the Class suffered damages in connection with their respective purchases and sales  
10 of the Company's securities during the Class Period.

11  
12 **SECOND CLAIM**  
13 **Violation of Section 20(a) of**  
**The Exchange Act Against the Individual Defendants**

14 68. Plaintiff repeats and realleges each and every allegation contained above as if fully  
15 set forth herein.

16 69. The Individual Defendants acted as controlling persons of Hansen within the  
17 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level  
18 positions, and their ownership and contractual rights, participation in and/or awareness of the  
19 Company's operations and/or intimate knowledge of the false financial statements filed by the  
20 Company with the SEC and disseminated to the investing public, the Individual Defendants had the  
21 power to influence and control and did influence and control, directly or indirectly, the  
22 decision-making of the Company, including the content and dissemination of the various statements  
23 which Plaintiff contends are false and misleading. The Individual Defendants were provided with  
24 or had unlimited access to copies of the Company's reports, press releases, public filings and other  
25  
26  
27

1 statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were  
2 issued and had the ability to prevent the issuance of the statements or cause the statements to be  
3 corrected.

4  
5 70. In particular, each of these Defendants had direct and supervisory involvement in the  
6 day-to-day operations of the Company and, therefore, is presumed to have had the power to control  
7 or influence the particular transactions giving rise to the securities violations as alleged herein, and  
8 exercised the same.

9  
10 71. As set forth above, Hansen and the Individual Defendants each violated Section  
11 10(b) and Rule 10b-5 by their acts and/or omissions as alleged in this Complaint. By virtue of their  
12 positions as controlling persons, the Individual Defendants are liable pursuant to Section 20(a) of  
13 the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and  
14 other members of the Class suffered damages in connection with their purchases of the Company's  
15 securities during the Class Period.

16 **PRAYER FOR RELIEF**

17  
18 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

19 (a) Determining that this action is a proper class action under Rule 23 of the Federal  
20 Rules of Civil Procedure;

21 (b) Awarding compensatory damages in favor of Plaintiff and the other Class members  
22 against all defendants, jointly and severally, for all damages sustained as a result of Defendants'  
23 wrongdoing, in an amount to be proven at trial, including interest thereon;

24 (c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this  
25 action, including counsel fees and expert fees; and  
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(d) Such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

DATED: October 23, 2009