



IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

PHILIP DURGIN, Individually and On)
Behalf of All Others Similarly Situated,)

Plaintiff,)

v.)

Civil Action No. _____

KENNETH KANNAPPAN, FUSEN CHEN,)
KENNETH SMITH, SCOTT PETERSON,)
RICHARD DYCK, SCOTT KRAMER,)
TOM ST. DENNIS, MATTSON)
TECHNOLOGY, INC., BEIJING E-TOWN)
DRAGON SEMICONDUCTOR)
INDUSTRY INVESTMENT CENTER, LP,)
and DRAGON ACQUISITION SUB, INC.,)

Defendants.)

**VERIFIED CLASS ACTION COMPLAINT
FOR BREACH OF FIDUCIARY DUTY**

Plaintiff Philip Durgin (“Plaintiff”), on behalf of himself and all others similarly situated, by and through the undersigned counsel, alleges the following upon information and belief, including the investigation of counsel and review of publicly-available information, except as to those allegations pertaining to Plaintiff, which are alleged upon personal knowledge:

SUMMARY OF THE ACTION

1. This is a stockholder class action brought by Plaintiff on behalf of himself and all other similarly situated public stockholders of Mattson Technology Inc. (“Mattson” or the “Company”) against the Company’s Board of Directors (the

“Board” or the “Individual Defendants”) for breaches of fiduciary duties, and against Beijing E-town Dragon Semiconductor Industry Investment Center, LP (“Parent”), and Dragon Acquisition Sub, Inc. (“Acquisition Sub,” and together with Parent, “E-Town Dragon”) for aiding and abetting such breaches of fiduciary duties.

2. Headquartered in Fremont, California, Mattson designs, markets, manufacturers, and supports semiconductor wafer processing equipment which is used in fabricating integrated circuits worldwide. The Company has design and manufacturing centers located in the United States, Canada and Germany.

3. On December 2, 2015, the Company announced that it had entered into a Definitive Merger Agreement, dated December 1, 2015, (the “Merger Agreement”), pursuant to which Merger Sub will merge with and into the Company with the Company surviving as a wholly-owned subsidiary of Parent (the “Proposed Transaction”).

4. As a result of the Proposed Transaction, E-Town Dragon will acquire all of the outstanding shares of Mattson in exchange for \$3.80 per share in cash for each share of Mattson common stock owned at closing (the “Merger Consideration”). The Proposed Transaction is valued at approximately \$300 million.

5. The Proposed Transaction wholly undervalues Mattson, as the Merger Consideration represents a premium of *approximately 26% under* the Company's 52-week high trading price of \$5.10 on March 3, 2015.

6. Furthermore, given the strength of the Company's product and its poise for future success, E-Town Dragon will acquire Mattson at an unreasonably low price if the Proposed Transaction is permitted to close. The Company continues to post increasing revenue each quarter, and is only continuing to expand its products and services. During an earnings call on October 29, 2015, the Company disclosed its most recent third quarter ("Q3") 2015 financial results. During the earnings call, defendant Fusen Chen ("Chen"), President and Chief Executive Officer ("CEO") of the Company, expressed his hopeful outlook for the Company's future, stating:

I'm pleased to announce like even in today's rapidly changing environment. Mattson has continued to achieve profitable quarterly results. For the third quarter, we report revenue at the top of our guidance range, finishing the quarter at \$39 million. Year-to-date, we have a revenue of \$140 million, which is 14% higher than the same period last year.

7. Under the terms of the Proposed Transaction, the Individual Defendants tilted the playing field in favor of E-Town Dragon, in breach of their fiduciary duties owed to Mattson stockholders, and agreed to a slate of deal protection provisions that unreasonably deter third party bidders from launching topping bids, including: (i) a strict no-solicitation provision that prevents the

Company from soliciting other potential acquirers or even continuing discussions and negotiations with potential acquirers; (ii) an information rights provision that requires the Company to disclose confidential information about competing bids to E-Town Dragon promptly, or within forty-eight (48) hours; (iii) a matching rights provision that provides E-Town Dragon with at least four (4) days to merely match any competing proposal in the event one is made; and (iv) a prohibitively large termination fee to be paid by Mattson in the event it chooses to pursue an alternative, superior offer.

8. These deal protection provisions, particularly when considered collectively, substantially and improperly limit the Board's ability to act with respect to investigating and pursuing superior proposals and alternatives, including a sale of all or part of Mattson.

9. For these reasons and as set forth in detail herein, Plaintiff seeks to enjoin defendants from taking any steps to consummate the Proposed Transaction or, in the event the Proposed Transaction is consummated, to recover damages resulting from the Individual Defendants' violations of their fiduciary duties of loyalty, good faith, and due care.

THE PARTIES

10. Plaintiff is, and has been at all relevant times, a stockholder of Mattson common stock.

11. Mattson is a corporation organized and existing under the laws of Delaware, with principal executive offices located at 47131 Bayside Parkway, Fremont, California 94538. Mattson's common stock is traded on the NASDAQ GS under the ticker symbol "MTSN."

12. Defendant Kenneth Kannappan ("Kannappan") has been the Chairman of the Board since July 2012, was previously Chairman from June 2008 until September 2011, and has been a director of the Company since July 1998. He is also a member of the Audit Committee and the Compensation Committee.

13. Defendant Chen has been the President, CEO, and a director of the Company since February 2013.

14. Defendant Kenneth Smith ("Smith") has been a director of the Company since August 1994 and Vice Chairman of the Board since July 2012. He has also been the Chairman of the Compensation Committee since May 2011, and a member of the Audit Committee and the Nominating and Governance Committee.

15. Defendant Scott Peterson ("Peterson") has been a director of the Company since December 2010. He has also been the Chairman of the Audit Committee since December 2010, and is a member of the Nominating and Governance Committee.

16. Defendant Richard Dyck (“Dyck”) has been a director of the Company since January 2010. He is also a member of the Compensation Committee and the Nominating and Governance Committee.

17. Defendant Scott Kramer (“Kramer”) has been a director of the Company since September 2011. He has also been the Chairman of the Nominating and Governance Committee since September 2013.

18. Defendant Tom St. Dennis (“St. Dennis”) has been a director of the Company since September 2014. He has also been the Chairman of the Strategy and Acquisition Committee since March 2014, and is a member of the Nominating and Governance Committee.

19. Defendant Parent is a limited partnership equity fund based in Beijing, China, focusing on investments in the semiconductor industry.

20. Defendant Merger Sub is a Delaware corporation and a wholly-owned subsidiary of Parent.

THE FIDUCIARY DUTIES OF THE INDIVIDUAL DEFENDANTS

21. By reason of the Individual Defendants’ positions with the Company as officers and/or directors, said individuals are in a fiduciary relationship with Plaintiff and the other stockholders of Mattson, and owe Plaintiff and the other members of the Class (defined herein) the duties of good faith, care, and loyalty.

22. By virtue of their positions as directors and/or officers of Mattson, the Individual Defendants, at all relevant times, had the power to control and influence, and did control and influence and cause Mattson to engage in the practices complained of herein.

23. Each of the Individual Defendants is required to act in good faith, in the best interests of the Company's stockholders and with such care, including reasonable inquiry, as would be expected of an ordinarily prudent person. In a situation where the directors of a publicly traded company undertake a transaction that may result in a change in corporate control, the directors must take all steps reasonably required to maximize the value stockholders will receive rather than use a change of control to benefit themselves. To diligently comply with this duty, the directors of a corporation may not take any action that:

(a) adversely affects the value provided to the corporation's stockholders;

(b) contractually prohibits them from complying with or carrying out their fiduciary duties;

(c) discourages or inhibits alternative offers to purchase control of the corporation or its assets;

(d) will otherwise adversely affect their duty to search for and secure the best value reasonably available under the circumstances for the corporation's stockholders; or

(e) will provide the directors and/or officers with preferential treatment at the expense of, or separate from, the public stockholders.

24. Plaintiff alleges herein that the Individual Defendants, separately and together, in connection with the Proposed Transaction, violated duties owed to Plaintiff and the other stockholders of Mattson, including their duties of loyalty, good faith, and due care, insofar as they, *inter alia*, failed to obtain the best price possible under the circumstances before entering into the Proposed Transaction.

CLASS ACTION ALLEGATIONS

25. Plaintiff brings this action pursuant to Court of Chancery Rule 23, individually and on behalf of the stockholders of Mattson common stock who are being and will be harmed by defendants' actions described herein (the "Class"). The Class specifically excludes defendants herein, and any person, firm, trust, corporation or other entity related to, or affiliated with, any of the defendants.

26. This action is properly maintainable as a class action because:

(a) The Class is so numerous that joinder of all members is impracticable. As of November 24, 2015, there were approximately 75,279,792

shares of Mattson common stock issued and outstanding. The actual number of public stockholders of Mattson can be ascertained through discovery;

(b) There are questions of law and fact which are common to the Class, including, *inter alia*, the following:

i. whether the Individual Defendants have breached their fiduciary duties of undivided loyalty or due care with respect to Plaintiff and the other members of the Class in connection with the Proposed Transaction;

ii. whether defendants are engaging in self-dealing in connection with the Proposed Transaction;

iii. whether the Individual Defendants have breached their fiduciary duty to secure and obtain the best price reasonable under the circumstances for the benefit of Plaintiff and the other members of the Class in connection with the Proposed Transaction;

iv. whether defendants are unjustly enriching themselves and other insiders or affiliates of Mattson and/or E-Town Dragon;

v. whether the Individual Defendants have breached any of their fiduciary duties to Plaintiff and the other members of the Class in connection with the Proposed Transaction, including the duty of good faith;

vi. whether the defendants, in bad faith and for improper motives, have impeded or erected barriers to discourage other offers for the Company or its assets; and

vii. whether Plaintiff and the other members of the Class would suffer irreparable injury were the Proposed Transaction complained of herein consummated.

(c) Plaintiff is an adequate representative of the Class, has retained competent counsel experienced in litigation of this nature and will fairly and adequately protect the interests of the Class;

(d) Plaintiff's claims are typical of the claims of the other members of the Class and Plaintiff does not have any interests adverse to the Class;

(e) The prosecution of separate actions by individual members of the Class would create the risk of inconsistent or varying adjudications that would establish incompatible standards of conduct for defendants, or adjudications that would, as a practical matter, be dispositive of the interests of individual members of the Class who are not parties to the adjudications or would substantially impair or impede those non-party Class members' ability to protect their interests; and

(f) Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

BACKGROUND OF THE COMPANY AND ITS POSITIONING IN AN EXPANDING MARKET

27. Mattson was founded in 1998 as an American technology company that manufactures and supplies the market of semiconductor equipment globally. The Company's main products are dry strip system, rapid thermal processing, and etching, and its major products are semiconductor wafer processing equipment used in the fabrication of integrated circuits. Mattson is one of the leaders in the dry strip market and is the second largest supplier of rapid thermal processing products. In December 2013, the Company announced its paradigm XP, next-generation etch system, which extended the Company's etch technology and chipmakers to address processing challenges for leading-edge, three-dimensional semiconductor manufacturing.

28. In the beginning of 2014, the Company also began expanding into the millisecond annealing and thermal oxidation markets, which has already proven to be profitable. In a press release on December 10, 2014, the Company announced that it had received multiple follow-on orders for its Millios millisecond anneal (MSA) system from a leading edge foundry/logic customer to support high volume production of advanced technology nodes at multiple fab locations. Defendant Chen applauded this success, claiming:

With the receipt of these orders we have achieved the MSA business objectives we established at the beginning of 2014 and remain optimistic that the superior product performance of the Millios system

will result in additional market share gains going forward...We remain committed to our customers' success, including support and development of technologies to enable volume production of advanced technology nodes.

29. The Company's success continued into 2015, reaching revenue and net income levels that had not been seen for eight years. On April 23, 2015, the Company announced its first quarter ("Q1") 2015 financial results ended March 29, 2015 in a press release. The Company reported an increase of \$3.5 million or 6 percent, to \$58.3 million in net revenue over just one quarter, when compared to \$54.7 million in the fourth quarter ("Q4") 2014, and an increase of \$15.1 million, or 35 percent, over the \$43.2 million in Q1 2014. The gross margin also increased 4 percentage points to 37 percent, compared to 33 percent in Q4 2014, and increased three percentage points compared to 34 percent in Q1 2014. The Company's net income also significantly increased, reporting \$6.3 million, or \$0.08 per diluted share, compared to a net income of \$5.0 million, or \$0.07 per diluted share in Q4 2014, and \$2.5 million, or \$0.04 per diluted share in Q1 2014.

Defendant Chen discussed these record-high results, stating:

I am pleased with our results this quarter and the continued discipline in executing our strategy. . . . Not only do the financial results for the first quarter of 2015 represent the seventh consecutive profitable quarter on a non-GAAP basis, but the results also mark revenue and net income levels not achieved by the Company since 2007.

30. The Company continued to post better financial results compared to the same quarter in the year prior. The Company discussed the financial results for

the second quarter (“Q2”) 2015 ended June 28, 2015, in an earnings call on July 30, 2015. The Company achieved revenue of \$43.3 million compared to \$42.0 million in the second quarter of 2014, making this quarter the Company’s eighth consecutive quarter of profitability. Gross margin also improved slightly by five percentage points to 37 percent, compared to 32 percent in the same quarter of 2014. The Company’s net income also increased slightly to \$2.6 million, or \$0.03 per diluted share, compared with \$1.9 million, or \$0.03 per diluted share in Q2 2014. The Company’s year-to-date revenue was \$102 million, which was 19% higher than the same period the year prior. Defendant Chen discussed the Company’s expansion and partnership efforts, stating:

Looking at the growing Mattson top line, we continue to focus on penetration of new customers in the market to establish the foundation to grow revenues. We have shipped Millios system into volume production fab for six consecutive quarters. We have partnered with multiple R&D facilities or millisecond anneal technology, and plan to ship another R&D system for sub-10nm development in the current quarter. This partnership with one of our leading-edge customers enable to continue advancement of MSA technology for both Mattson and the industry.

Etch is our largest market opportunity and the expansion of our etch customer base continue as we achieve the milestone of shipping our 100th etch system. This milestone shows the market acceptance of Mattson’s etch technology, to support high-volume production and is a result of focused partnership with our customers.

In addition, we continue to make progress in the development of our next-generation etch product and have achieved in our initial development world-class uniformity as low as 1% within our dual-wafer processing chamber. We are entering the next stage of

development to further improve the technical performance to meet the critical requirement of memory and foundry logic at the 10nm technology and beyond. This next-generation etch system is expected to double Mattson's available market.

31. On July 9, 2015, the Company announced in a press release that its dry strip product, the Suprema XP, had been installed and released for high volume production at multiple memory production facilities. The Suprema has been highly produced since it was first introduced ten years ago, but its advanced technical capability and productivity has made it even more successful in meeting the advanced requirements for leading DRAM and 3D-NAND device production. Ryan Pakulski ("Pakulski"), the General Manager of Mattson Technology's Plasma Products Group, highlighted this achievement:

Building our next generation dry strip system on our Suprema design, we have increased the process operating range and further increased the throughput capability with the Suprema XP. This enables our customers to manufacture their most advanced technologies, in high volume production.

32. On July 14, 2015, the Company announced it had achieved yet another milestone with the shipment of its 100th plasma etch system, *paradigmE* XP, since it was first introduced in 2009. This 100th shipment was installed to support volume production of advanced 3D NAND memory devices, showing the increasing acceptance and demand for Mattson's etch technology. The Company also announced that its MSA systems were continually shipped to multiple

customers over the last six quarters, further proving the continuing demand for the Company's products.

33. The Company in the third quarter ("Q3") of 2015 again exceeded its revenue from the previous year. The Company discussed these results during an earnings call on October 29, 2015. The Company achieved net revenue of \$38.9 million, a slight increase from \$38.4 million in Q3 2014. The gross margin also increased one percentage point to 35 percent over the gross margin of the same quarter the year prior. The Company experienced a significant increase in its net income over the prior year third quarter, increasing from \$0.5 million, or \$0.01 per diluted share in Q3 2014, to \$2.0 million, or \$0.03 per diluted share in Q3 2015.

Defendant Chen remained optimistic for the Company's future, stating:

However, we are optimistic looking into 2016, although the industry is expected to be flat to down 5% next year. We believe our product production will enable us to grow revenue year-over-year. The floating effect behind the leveling growth expectation includes the following, first Millios revenue in 2015 is expected to include two revenue system shipments with a total of four system shipments.

34. As reflected in these quotes and in the Company's recent financial results and concurrent press releases and statements, Mattson has made significant growth, product expansion and partnerships, which are increasing in customer demand and which have begun to, and are expected to continue to, yield returns for the Company and its stockholders well into the future.

35. However, despite the financial strength of the Company and its position as premier player in the semiconductor industry, the Individual Defendants have entered into the Merger Agreement with E-Town Dragon, depriving the Plaintiff and the public stockholders of the Company the opportunity to participate in the growth of the Company they have loyally invested in.

THE PROPOSED TRANSACTION

36. On December 2, 2015, the Company issued a press release announcing the Proposed Transaction. The press release stated, in relevant part:

Mattson Technology, Inc. Enters Into a Definitive Agreement to Be Acquired by the Beijing E-Town Dragon Semiconductor Industry Investment Center for \$3.80 per Share in Cash

FREMONT, CA and BEIJING, CHINA -- (Marketwired) -- 12/02/15 -
- Mattson Technology, Inc. (NASDAQ: MTSN), a global semiconductor wafer processing equipment provider, and Beijing E-Town Dragon Semiconductor Industry Investment Center (Limited Partnership) ("E-Town Dragon"), today jointly announced that they have entered into a definitive merger agreement under which E-Town Dragon will acquire all of the outstanding shares of Mattson for \$3.80 per share in cash. The transaction price represents a 55 percent premium to the 30-trading day average closing price for the period ending December 1, 2015, a 23 percent premium to Mattson's closing stock price on December 1, 2015, and values Mattson's equity at approximately \$300 million on a fully diluted basis.

Commenting on the proposed acquisition, Fusen Chen, Mattson's President and Chief Executive Officer, said, "In E-Town Dragon, we have found a partner who brings to Mattson unique investment experience with a rich, global network and a commitment to grow Mattson into one of the industry's preeminent semiconductor equipment companies. We are pleased to have entered into this agreement with E-Town Dragon, which we believe represents

significant value for our stockholders and will facilitate continued innovation for our customers.”

Xiaobo Wang, General Manager of Beijing E-Town Capital, added, “The acquisition of Mattson is representative of E-town’s continued commitment to investing in the semiconductor and capital equipment industries. We plan to build upon Mattson’s successes and we are excited to provide the resources needed to expand the company going forward.”

The transaction is subject to approval by Mattson’s stockholders, as well as antitrust and other regulatory approvals. The Mattson Board of Directors has unanimously approved the merger agreement and recommends that Mattson stockholders vote to approve the merger agreement. Details regarding the record date, and the date, time and place of the special meeting of Mattson stockholders to vote on the transaction will be announced at a later date. The transaction is currently expected to close in the first calendar quarter of 2016.

Morgan Stanley & Co. LLC is serving as Mattson’s financial advisor and Latham & Watkins is serving as Mattson’s outside legal advisor. Cowen and Company, LLC is serving as E-Town Dragon’s financial advisor. Pillsbury Winthrop Shaw Pittman and DeHeng Law Offices are jointly serving as E-Town Dragon’s outside legal advisors.

Mattson will file with the U.S. Securities and Exchange Commission (the “SEC”) a Current Report on Form 8-K announcing the transaction, which 8-K will include a copy of the merger agreement. All parties seeking additional details regarding the transaction are urged to review these documents, which are available at the SEC’s website <http://www.sec.gov>.

37. On December 2, 2015, the Company filed a Form 8-K with the United States Securities and Exchange Commission (“SEC”), dated December 1, 2015, wherein it disclosed the Merger Agreement. Collectively, the press release announcing the transaction and the filing of the Merger Agreement reveal that the

Proposed Transaction is the product of a flawed sales process and, unless the Merger Consideration is increased, would be consummated at an inadequate price.

38. Additionally, the sale of the Company is being timed in an effort to curb any future increase in the share price of Mattson common stock, thus ensuring that E-Town Dragon can effectuate its takeover on the cheap. The Company has recently posted near-record increases in revenue across multiple quarters and is continually expanding, reflecting an increased demand for the Company's products and services.

39. Conclusively, having failed to maximize the sale price for the Company, the Individual Defendants breached the fiduciary duties they owe to the Company's public stockholders because the Company has been improperly valued, and public stockholders will not receive adequate or fair value for their Mattson common stock.

THE MERGER AGREEMENT UNFAIRLY DETERS COMPETITIVE OFFERS AND IS UNDULY BENEFICIAL TO E-TOWN DRAGON

40. The Proposed Transaction is also unfair because, as part of the Merger Agreement, defendants agreed to certain onerous and preclusive deal protection devices that operate conjunctively to make the Proposed Transaction *a fait accompli* and ensure that no competing offers will emerge for the Company.

41. The Merger Agreement contains a No-Solicitation clause pursuant to which the Company must immediately cease and terminate any existing

solicitation. In fact, Section 5.2(a) of the Merger Agreement forces the Company to cease any communications already occurring, stating:

(a) The Company and its Subsidiaries shall immediately cease any and all existing discussions or negotiations with any Persons (other than Parent, Acquisition Sub or any designees of Parent or Acquisition Sub) conducted heretofore with respect to any Acquisition Proposal and terminate such Persons' access to any data room containing the Company's confidential information, and shall as promptly as practicable (and in any event within three (3) Business Days) request the return from all such Persons or the destruction by such Persons of all copies of confidential information previously provided to such Persons by the Company, its Subsidiaries or Representatives.

42. Section 5.2(b) further expressly prohibits the Company from soliciting any Acquisition Proposals, stating:

(b) Subject to Section 5.2(c), at all times during the period commencing with the execution and delivery of this Agreement and continuing until the earlier to occur of (A) the termination of this Agreement pursuant to Article VIII and (B) the Effective Time, the Company and its Subsidiaries shall not, nor shall they authorize or knowingly permit any of their respective directors, officers or other employees, controlled affiliates, or any investment banker, attorney, accountant or other authorized agent or representative retained by any of them (collectively, "**Representatives**") to, directly or indirectly, (i) solicit, initiate or induce the making, submission or announcement of, or knowingly encourage, facilitate or assist, an Acquisition Proposal, (ii) furnish to any Person (other than Parent, Acquisition Sub or any designees of Parent or Acquisition Sub) any non-public information relating to the Company or any of its Subsidiaries, or afford to any Person (other than Parent, Acquisition Sub or any designees of Parent or Acquisition Sub) access to the business, properties, assets, books, records or other non-public information, or to any personnel, of the Company or any of its Subsidiaries, in any such case with the intent to induce the making, submission or announcement of, or the intent to encourage, facilitate or assist, an Acquisition Proposal or the making of any inquiry or proposal that

would reasonably be expected to lead to an Acquisition Proposal, (iii) participate or engage in discussions or negotiations with any Person (other than Parent, Acquisition Sub or any designees of Parent or Acquisition Sub) with respect to an Acquisition Proposal or (iv) enter into any Contract contemplating or otherwise relating to an Acquisition Transaction (other than an Acceptable Confidentiality Agreement).

43. Furthermore, Section 5.2(e) grants E-Town Dragon recurring and unlimited information rights, which gives Mattson forty-eight (48) hours to provide unfettered access to confidential, non-public information about competing proposals from third parties which E-Town Dragon can then use to prepare a matching bid.

44. Additionally, Section 6.6(c) grants E-Town Dragon least four (4) days to negotiate with Mattson, amend the terms of the Merger Agreement, and make a counter-offer that only matches any superior third-party offer.

45. This matching rights provision essentially ensures that no superior bidder will emerge, as any potential suitor will be unlikely to expend the time, cost and effort to perform due diligence and make a superior proposal while knowing that E-Town Dragon will become aware of its bid and the details and terms thereof and can easily top it. As a result, the matching rights provision unreasonably favors E-Town Dragon, to the detriment of Mattson's public stockholders.

46. Compounding matters, Section 8.3(b) of the Merger Agreement requires the Company to pay a termination fee to E-Town Dragon in the event the

Company decides to pursue any alternative offer. By the terms of the Merger Agreement, this termination fee will be payable to Parent in the amount of \$8,580,000. As such, this termination fee would require any competing bidder to agree to pay a naked premium simply for the right to provide Mattson's stockholders a superior offer.

47. Ultimately, these preclusive deal protection provisions illegally restrain the Company's ability to solicit or engage in negotiations with any third party regarding a proposal to acquire all or a significant interest in the Company. The narrow circumstances under which the Board may respond to alternative proposals and the Company's inability to terminate the Merger Agreement if it accepts a superior proposal fail to provide an effective "fiduciary out" under the Merger Agreement.

48. Accordingly, Plaintiff seeks injunctive and other equitable relief to prevent the irreparable injury that the Company's stockholders will continue to suffer absent judicial intervention.

COUNT I
Breach of Fiduciary Duties
(Against All Individual Defendants)

49. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

50. The Individual Defendants have violated fiduciary duties of care, loyalty, and good faith owed to the public stockholders of Mattson.

51. By the acts, transactions and courses of conduct alleged herein, the Individual Defendants, individually and acting as a part of a common plan, are attempting to unfairly deprive Plaintiff and other members of the Class of the true value of their investment in Mattson.

52. As demonstrated by the allegations above, the Individual Defendants failed to exercise the care required, and breached their duties of loyalty and good faith owed to the stockholders of Mattson because, among other reasons, they failed to take reasonable steps to obtain and/or ensure that Mattson stockholders receive adequate and fair value for their shares.

53. The Individual Defendants dominate and control the business and corporate affairs of Mattson both through their positions within the Company and on the Board, and are in possession of private corporate information concerning Mattson assets, business and future prospects. Thus, there exists an imbalance and disparity of knowledge and economic power between them and the public stockholders of Mattson which makes it inherently unfair for them to benefit their own interests to the exclusion of maximizing stockholder value.

54. By reason of the foregoing acts, practices and course of conduct, the Individual Defendants have failed to exercise ordinary care and diligence in the

exercise of their fiduciary obligations toward Plaintiff and the other members of the Class.

55. As a result of the actions of defendants, Plaintiff and the Class will suffer irreparable injury in that they have not and will not receive their fair portion of the value of Mattson's assets and businesses and have been and will be prevented from obtaining a fair price for their common stock.

56. Unless the Individual Defendants are enjoined by the Court, they will continue to breach their fiduciary duties owed to Plaintiff and the members of the Class, all to the irreparable harm of the members of the Class.

57. Plaintiff and the members of the Class have no adequate remedy at law. Only through the exercise of this Court's equitable powers can Plaintiff and the Class be fully protected from the immediate and irreparable injury which the Individual Defendants' actions threaten to inflict.

COUNT II
Aiding and Abetting
(Against Parent and Merger Sub)

58. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

59. Parent and Merger Sub have acted and are acting with knowledge of, or with reckless disregard to, the fact that the Individual Defendants are in breach

of their fiduciary duties to Mattson's public stockholders, and have participated in such breaches of fiduciary duties.

60. Moreover, Parent and Merger Sub knowingly aided and abetted the Individual Defendants' wrongdoing alleged herein. In so doing, they rendered substantial assistance in order to effectuate the Individual Defendants' plan to consummate the Proposed Transaction in breach of their fiduciary duties.

61. As a result of the unlawful actions of Parent and Merger Sub, Plaintiff and the other members of the Class will be irreparably harmed in that they will not receive the true value for Mattson's assets and business. Unless their actions are enjoined by the Court, defendants Parent and Merger Sub will continue to aid and abet the Individual Defendants' breaches of their fiduciary duties owed to Plaintiff and the members of the Class.

62. As a result of Parent and Merger Sub's conduct, Plaintiff and the other members of the Class have been and will be damaged in that they have been and will be prevented from obtaining a fair and reasonable price for their Mattson's shares.

63. Absent judicial intervention, Plaintiff and other members of the Class have no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands injunctive relief in his favor and in favor of the Class and against defendants as follows:

A. Declaring that this action is properly maintainable as a class action and certifying Plaintiff as Class representative;

B. Preliminarily and permanently enjoining defendants and their counsel, agents, employees and all persons acting under, in concert with, or for them, from proceeding with, consummating, or closing the Proposed Transaction, unless and until the Company adopts and implements a procedure or process to obtain an agreement providing fair and reasonable terms and consideration to Plaintiff and the Class;

C. Rescinding, to the extent already implemented, the Merger Agreement or any of the terms thereof, or granting Plaintiff and the Class rescissory damages;

D. Directing the Individual Defendants to account to Plaintiff and the Class for all damages suffered as a result of the Individual Defendants wrongdoing;

E. Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees; and

F. Granting such other and further equitable relief as this Court may deem just and proper.

Dated: December 22, 2015

RIGRODSKY & LONG, P.A.

By: /s/ Brian D. Long

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