

MAGNACHIP SEMICONDUCTOR Corp  
Form 8-K  
January 12, 2016

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, DC 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): January 11, 2016**

**MagnaChip Semiconductor Corporation**

**(Exact name of Registrant as specified in its charter)**

**Delaware**  
**(State or Other Jurisdiction**

**of Incorporation)**

**c/o MagnaChip Semiconductor S.A.**

**001-34791**  
**(Commission**

**File Number)**

**83-0406195**  
**(IRS Employer**

**Identification No.)**

**Not Applicable**

**1, Allée Scheffer, L-2520**

**Luxembourg, Grand Duchy of Luxembourg**

**(Address of Principal Executive Offices)**

**(Zip Code)**

**Registrant's telephone number, including area code: (352) 45-62-62**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01. Other Events.**

MagnaChip Semiconductor Corporation (the Company) entered into a term sheet, effective as of January 11, 2016, with the plaintiffs' representatives to memorialize an agreement in principle to settle the shareholder derivative action captioned *Hemmingson, et al. v. Elkins, et al.*, No. 1-15-CV-278614 (PHK) (the Derivative Action) that is currently pending in the California Superior Court, Santa Clara County, against the Company and certain of its current and former officers and directors. The Derivative Action is more fully described in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2015.

The proposed settlement provides for the resolution of all of the pending claims against the Company and the individual defendants in the Derivative Action, without any liability or wrongdoing attributed to them. The proposed settlement provides for an aggregate payment from the Company defendants' directors and officers insurance policies of \$3 million to be made to an escrow account, which will be remitted to the Company once the settlement becomes final, less (i) any applicable costs of such escrow account, (ii) any amount awarded by the court to the plaintiff's counsel for attorney's fees and litigation expenses and (iii) the cost of providing notice of the settlement to the Company's stockholders. The proposed settlement also requires that the Company implement certain corporate governance measures. The proposed settlement remains subject to stockholder notice, court approval and other customary conditions.

***Safe Harbor for Forward-Looking Statements***

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. All forward-looking statements included in this report, including expectations about the settlement of the Derivative Action and expectations of insurance proceeds are based upon information available to the Company as of the date of this report, which may change, and the Company assumes no obligation to update any such forward-looking statements. These statements are not guarantees of future performance and actual results could differ materially from the Company's current expectations. Factors that could cause or contribute to such differences include the risks and uncertainties detailed from time to time in the Company's filings with the Securities and Exchange Commission, as well as the possibility that the court may materially alter or fail to approve the terms of the settlement in the term sheet. The Company assumes no obligation and does not intend to update the forward-looking statements provided, whether as a result of new information, future events or otherwise.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MAGNACHIP SEMICONDUCTOR CORPORATION

Dated: January 12, 2016

By: /s/ Theodore Kim  
Theodore Kim  
Chief Compliance Officer, Executive Vice  
President, General Counsel and Secretary