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6 Attorneys for Defendants
 7 GAP INTERNATIONAL SALES, INC.,
 THE GAP, INC., BANANA REPUBLIC,
 8 LLC, and OLD NAVY, LLC

Attorneys for Plaintiffs
 GABANA GULF DISTRIBUTION, LTD., and
 GABANA DISTRIBUTION, LTD.

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UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

GABANA GULF DISTRIBUTION, LTD., a
 company organized under the laws of the
 United Kingdom, and GABANA
 DISTRIBUTION, LTD., a company organized
 under the laws of the United Kingdom,

Case No. C 06 2584 CRB

**STIPULATION AND ~~PROPOSED~~
 ORDER OF DISMISSAL WITH
 PREJUDICE**

Plaintiffs,

v.

GAP INTERNATIONAL SALES, INC., a
 Delaware corporation, THE GAP, INC., a
 Delaware corporation, BANANA REPUBLIC,
 LLC, a Delaware limited liability company,
 and OLD NAVY, LLC, a Delaware limited
 liability company,

Defendants.

1 **STIPULATION**

2 Plaintiffs (collectively, “Gabana”) and defendants (collectively, “Gap”) hereby stipulate
3 and agree as follows:

4 1. Gabana filed its original complaint in this action on April 14, 2006, and filed its
5 operative Second Amended Complaint on October 31, 2007, asserting claims for breach of
6 contract, breach of the implied covenant of good faith and fair dealing, fraud, and unfair
7 competition. *See* Docket No. 241.

8 2. Gap counterclaimed for breach of contract, breach of the implied covenant of
9 good faith and fair dealing, and unfair competition. *See* Docket No. 36.

10 3. On November 19, 2007, this Court granted summary judgment for Gap on
11 Gabana’s claims for breach of contract and fraud, but denied Gap’s motion for summary
12 judgment on Gabana’s claims for breach of the implied covenant of good faith and fair dealing
13 and unfair competition. *See* Docket No. 285.

14 4. The Court also granted summary judgment for Gabana on Gap’s claim for breach
15 of the implied covenant (*see id.*), but denied Gabana’s motion for summary judgment on Gap’s
16 contract claim, a ruling the Court reaffirmed in denying Gabana’s motion for reconsideration on
17 December 10, 2007. *See* Docket No. 299.

18 5. The claims remaining in this case after this Court’s summary-judgment rulings
19 were Gabana’s claims for breach of the implied covenant of good faith and fair dealing, and for
20 unfair competition; and Gap’s claim for breach of contract (the “Remaining Claims”).

21 6. On December 17, 2007, the parties stipulated that in the event that the Court of
22 Appeals were to affirm this Court’s summary-judgment ruling on Gabana’s breach of contract
23 claim, the parties would dismiss all of the Remaining Claims with prejudice, each side bearing
24 its own fees and costs, thus ending this case. *See* Docket No. 300-2 ¶ 3.

25 7. The Court of Appeals for the Ninth Circuit affirmed this Court’s summary-
26 judgment ruling on August 24, 2009. *See* Docket No. 319. On September 17, 2009, the Ninth
27 Circuit denied Gabana’s Petition for Panel Rehearing. *See* Docket No. 321.

28 8. Pursuant to their December 17, 2007 stipulation, therefore, the parties now

1 respectfully request that this Court dismiss the Remaining Claims with prejudice, each side
2 bearing its own fees and costs, thus ending this case.¹

3 SO STIPULATED,

4 Dated: September 24, 2009

5 KEKER & VAN NEST, LLP

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By: /s/ Dan Jackson _____

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DAN JACKSON
Attorneys for Defendants
GAP INTERNATIONAL SALES, INC., THE
9 GAP, INC., BANANA REPUBLIC, LLC, and
10 OLD NAVY, LLC

11 Dated: September 24, 2009

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HOWARD RICE NEMEROVSKI CANADY
FALK & RABKIN

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By: Concurrence obtained per General Order 45.X.B

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MARTIN R. GLICK
Attorneys for Plaintiffs
GABANA GULF DISTRIBUTION, LTD., and
16 GABANA DISTRIBUTION, LTD.

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¹ As in the parties' December 17, 2007 stipulation, however, Gap specifically reserves its right to seek indemnification from Gabana, based on the indemnification provisions in Gap's contracts with Gabana, for legal fees, costs and other expenses incurred in connection with Roots Ready Made Garments Co. W.L.L., v. The Gap, Inc. et al., Case No. C 07 3363 CRB (N.D. Cal.). Gabana disputes that Gap has any legal basis for obtaining such indemnification.

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[PROPOSED] ORDER

PURSUANT TO STIPULATION, IT IS SO ORDERED:

Gabana's claims for breach of the implied covenant of good faith and fair dealing, and unfair competition are HEREBY DISMISSED WITH PREJUDICE.

Gap's claim for breach of contract is HEREBY DISMISSED WITH PREJUDICE.

This case is now closed.

The parties shall bear their own fees and costs.

IT IS SO ORDERED.

Date: September 24, 2009



HONORABLE CHARLES R. BREYER