

E-Filed 1/5/08

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 11 Vasudevan and William S. Warner, and
 Nominal Defendant Blue Coat Systems, Inc.

12
 13 UNITED STATES DISTRICT COURT
 14 FOR THE NORTHERN DISTRICT OF CALIFORNIA
 15 SAN JOSE DIVISION

17 In re BLUE COAT SYSTEMS, INC.) MASTER FILE NO.: C-06-4809-JF (RS)
 DERIVATIVE LITIGATION) [Consolidated with C-06-5453]

18)
 19) **STIPULATION AND [PROPOSED]**
) **ORDER EXTENDING DATE FOR**
 20) **CASE MANAGEMENT**
) **CONFERENCE**

21 This Document Relates To:)
)
 22 ALL ACTIONS.) Current CMC Date:
) January 9, 2008 at 10:30 a.m.
 23) Proposed CMC Date:
) April 3, 2008
 24) Before: Hon. Jeremy Fogel
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 25)
)
 26)

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 28 STIPULATION AND [PROPOSED] ORDER
 EXTENDING DATE FOR CMC
 MASTER FILE No. C-06-4809-JF

1 WHEREAS, Plaintiffs in this Consolidated Action filed a Verified Amended
2 Consolidated Shareholder Derivative Complaint (“Consolidated Complaint”) on November 30,
3 2007;

4 WHEREAS, on February 1, 2008, Nominal Defendant Blue Coat Systems, Inc. (“Blue
5 Coat”) and defendant Ernst & Young LLP (“EY”) filed motions to dismiss this case on the
6 ground that a demand upon Blue Coat’s board of directors (the “Board”) to assert claims against
7 the individual defendants and defendant EY would not have been futile (the “Demand Futility
8 Motions”);

9 WHEREAS, on February 1, 2008, the individual defendants and EY filed motions to
10 dismiss the Consolidated Complaint on the grounds that it failed to state a claim for relief against
11 them;

12 WHEREAS, on February 1, 2008, defendants Blue Coat and EY filed motions to stay the
13 case and/or to compel mediation and, if necessary, arbitration;

14 WHEREAS, Plaintiffs decided not to oppose these motions but to instead make a demand
15 on Blue Coat’s Board;

16 WHEREAS, the Parties agreed to, and the Court ordered, a stay of the action to permit
17 Plaintiffs to make their demand upon Blue Coat’s Board and to allow the Board to consider such
18 demand;

19 WHEREAS, in response to plaintiffs’ demand, the Board formed a special committee,
20 composed of directors James Tolonen and Keith Geeslin, which according to the Form 10-Q
21 filed by Blue Coat on December 9, 2008, was granted plenary authority to decide whether it is in
22 the best interests of the Company and its shareholders to pursue or otherwise resolve the claims
23 raised in the demand letter and in the federal and state derivative actions and any other claims of
24 the Company that the special committee deems necessary or appropriate to consider concerning
25 its historical stock option practices;

26 WHEREAS, the special committee represents that it has been actively engaged in an
27 investigation of plaintiffs’ demand and reports that it is, and has been, working diligently on the
28 investigation;

1 WHEREAS, the special committee needs additional time to review the facts giving rise to
2 the actions, evaluate the claims at issue, and decide how to proceed with respect to those claims
3 and plaintiffs' demand;

4 NOW, THEREFORE, the Parties, by and through their undersigned counsel of record,
5 hereby agree and stipulate to the following:

6 1. The Case Management Conference scheduled for January 9, 2008, together with
7 all associated pre-conference filings (e.g., the Case Management Statement and Rule 26(f)
8 disclosures) shall be continued to April 3, 2008 at 10:30 a.m., at which time the Parties will
9 report to the Court about the status of the special committee's investigation;

10 2. The Parties respectfully request that the Court enter an Order approving this
11 Stipulation.

12
13 Dated: December 18, 2008

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16 By: /s/ Jerome F. Birn, Jr.
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18 *Counsel for the Blue Coat Defendants and Nominal
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19 Dated: December 18, 2008

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1 Dated: December 18, 2008

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Co-Lead Counsel for Plaintiffs

12 Dated: December 18, 2008

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21 Dated: December 18, 2008

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Counsel for defendant Susan Thornton

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1 Dated: December 18, 2008

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By: /s/ David M. Friedman
David M. Friedman

Counsel for defendant Ernst & Young LLP

[PROPOSED] ORDER

20 Based upon the above stipulation of the Parties and for good cause appearing therefore,
21 IT IS SO ORDERED.

23 1/5/09

24 Dated: ~~December _____, 2008~~



Hon. Jeremy Fogel
United States District Judge

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ATTESTATION PURSUANT TO GENERAL ORDER 45

I, Katherine L. Henderson, attest that concurrence in the filing of this document has been obtained from each of the signatories. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 18th day of December, 2008 at San Francisco, California.

By: /s/ Katherine L. Henderson
 Katherine L. Henderson

*Counsel for the Blue Coat Defendants and Nominal
Defendant Blue Coat Systems, Inc.*