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E-Filed 7/2/2009

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN JOSE DIVISION

In re BLUE COAT SYSTEMS, INC. DERIVATIVE LITIGATION	MASTER FILE NO.: C-06-4809-JF (RS) [Consolidated with C-06-5453]
This Document Relates To: ALL ACTIONS.	STIPULATION AND ~~[PROPOSED]~~ ORDER EXTENDING DATE FOR CASE MANAGEMENT CONFERENCE Current CMC Date: July 10, 2009 Proposed CMC Date: September 11, 2009 Before: Hon. Jeremy Fogel

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WHEREAS, Plaintiffs in this Consolidated Action filed a Verified Amended Consolidated Shareholder Derivative Complaint ("Consolidated Complaint") on November 30, 2007;

WHEREAS, on February 1, 2008, Nominal Defendant Blue Coat Systems, Inc. ("Blue Coat") and Defendant Ernst & Young LLP ("EY") filed motions to dismiss this case on the ground that a demand upon Blue Coat's board of directors (the "Board") to assert claims against the individual Defendants and Defendant EY would not have been futile (the "Demand Futility Motions");

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

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

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

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

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

WHEREAS, the special committee represents that it has been actively engaged in an investigation of Plaintiffs' demand and has been working diligently on the investigation;

WHEREAS, the special committee represents that it is nearing the end of its investigation, but it needs additional time to complete its review of the facts giving rise to the actions, evaluate the claims at issue, and decide how to proceed with respect to those claims and Plaintiffs' demand;

WHEREAS, counsel for Plaintiffs and counsel for the special committee have held several teleconferences in which they discussed the status of the special committee's investigation and an in-person meeting to discuss, *inter alia*, Plaintiffs' demand, the special committee's investigation and preliminary findings;

WHEREAS, the special committee and its counsel have agreed with counsel for Plaintiffs to meet in the near future;

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

1. The Case Management Conference scheduled for July 10, 2009, together with all associated pre-conference filings (e.g., the Case Management Statement and Rule 26(f) disclosures) shall be continued to September 11, 2009 at 10:30 a.m., at which time the Parties will report to the Court about the status of the special committee's work;

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

Dated: June 25, 2009

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Dated: June 25, 2009

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

Counsel for Defendant Ernst & Young LLP

~~[PROPOSED]~~ ORDER

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

Dated: 7/2/2009, 2009

Hon. Jeremy Fogel
United States District Judge

ATTESTATION PURSUANT TO GENERAL ORDER 45

I, Morgan L. Hector, 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 25th day of June 2009 at San Francisco, California.

By: /s/ Morgan L. Hector
Morgan L. Hector

Counsel for the Special Committee of the Board of Directors of Nominal Defendant Blue Coat Systems, Inc.