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**\*\*E-Filed 9/2/2010\*\***

Attorneys for the Special Committee  
of the Board of Directors of Blue Coat  
Systems, Inc.

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: September 3, 2010  
Proposed CMC Date: September 24, 2010  
Before: Hon. Jeremy Fogel

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.  
5 (“Blue 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  
10 to dismiss the Consolidated Complaint on the grounds that it failed to state a claim for relief  
11 against them;

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

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

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

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

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

28

1 WHEREAS, counsel for plaintiffs, counsel for the special committee, counsel for  
2 the insurers, and counsel for certain individual defendants attended a mediation session on  
3 November 24, 2009 with the Honorable Layn Phillips (Ret.);

4 WHEREAS, following the mediation, counsel for Plaintiffs, counsel for the special  
5 committee, counsel for the insurers, and counsel for individual Defendants continued to engage in  
6 extensive arm's length settlement discussions, with additional assistance from the mediator;

7 WHEREAS, Plaintiffs, certain of the individual Defendants, Defendant EY, and  
8 nominal Defendant Blue Coat, by and through its special committee, each by and through their  
9 respective counsel, have reached a settlement in principle of this action and preparation of  
10 settlement documentation is underway;

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

13 1. The Case Management Conference scheduled for September 3, 2010,  
14 together with all associated pre-conference filings (e.g., the Case Management Statement and Rule  
15 26(f) disclosures) shall be continued to September 24, 2010 at 10:30 a.m., or as soon as available  
16 thereafter, at which time the Parties will report to the Court about the status of the special  
17 committee's work and the status of settlement documentation;

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

20 Dated: August 27, 2010

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25 By: \_\_\_\_\_ /s  
26 Sean T. Strauss

27 Counsel for the Special Committee of the Board of  
28 Directors of Nominal Defendant Blue Coat Systems,  
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1 Dated: August 27, 2010

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8 Dated: August 27, 2010

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20 Dated: August 27, 2010

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27 Counsel for Defendant Michael J. Johnson

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~~[PROPOSED]~~ ORDER

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

Dated: Sept. 2, 2010

  
\_\_\_\_\_  
JEREMY S. FELT  
United States District Judge

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ATTESTATION PURSUANT TO GENERAL ORDER 45

I, Sean T. Strauss, 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 27th day of August, 2010 at San Francisco, California.

By: \_\_\_\_\_/s\_\_\_\_\_  
Sean T. Strauss

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