

ISCHNADER HARRISON SEGAL & LEWIS LLP ONE MONTGOMERY STREET, SUITE 2200 SAN FRANCISCO, CA 94104-5501 TELEPHONE: 415-364-6700

Plaintiff the United States Small Business Administration ("SBA") in its capacity 1 as Receiver for Aspen Ventures III, L.P. ("Aspen Ventures"), defendant and third party plaintiff 2 Redleaf Group, Inc. ("Redleaf"), and third party defendants Aspen Ventures Management III, 3 LLC, a Delaware Limited Liability Company ("AVM"), Alexander P. Cilento ("Cilento"), and 4 David Crockett ("Crockett")<sup>1</sup>, hereby submit their Joint Statement Updating the Court on the 5 Progress Towards Settlement, in accordance with the Court's Order dated February 19, 2009. 6 On February 19, 2009, this Court issued an Order Continuing Case Management 7 Conference (Dkt. 139) that continued the Case Management Conference set for February 19, 8 2009, to March 30, 2009, and ordered the parties to file by March 20, 2009, either Requests for 9 Dismissal or a further joint statement updating the Court on the progress toward settlement and 10 providing the Court with an estimate of the amount of time needed to reduce the settlement to 11

writing.

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The parties have exchanged drafts of a proposed settlement agreement. The
parties believe that they will need an additional three weeks to completely reduce their settlement
to writing.

16 Dated: March 20, 2009

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## SCHNADER HARRISON SEGAL & LEWIS LLP

By: /s/ Gregory C. Nuti

Gregory C. Nuti Attorneys for Plaintiff, the United States Small Business Administration in its capacity as Receiver for Aspen Ventures III, L.P.

K&L GATES LLP

<sup>1</sup> AVM, Crockett and Cilento are collectively referred to as the "3<sup>rd</sup> Party Defendants".

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