UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DAVIS SQUARE FUNDING I, LTD.
et al.,

Plaintiffs,

- against 
AIG FINANCIAL PRODUCTS CORP.,

Defendant.

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VICTOR MARRERO, United States District Judge.

Counsel on behalf of the parties, having notified the Court, at the telephone conference with the parties on May 29, 2009, that the parties have reached an agreement in principle to settle this action without further litigation, and do not object to the issuance of this Order, it is hereby

ORDERED, that this action be conditionally discontinued without prejudice and without costs; provided, however, that within ninety (90) days of the date of this Order, the parties may submit to the Court their own Stipulation of Dismissal for the Court to So Order. Otherwise, within such time counsel for either party may apply by letter for restoration of the action to the active calendar of this Court in the event by the deadline indicated the settlement is not consummated. Upon such notification, the defendant shall continue to be subject to the Court's jurisdiction, the Court shall promptly reinstate the action to its active docket and the parties shall be directed to appear before the Court,

without the necessity of additional process, on a date within ten

days of either party's application for reinstatement, to schedule

remaining pre-trial proceedings and/or dispositive motions, as

appropriate. This Order shall be deemed a final discontinuance of

the action with prejudice in the event neither party has requested

restoration of the case to the active calendar within such period

of time.

The trial of this action preliminarily scheduled for on or

about June 15, 2009 is canceled but shall be rescheduled as set

forth above in the event either party notifies the Court that the

parties' settlement was not effectuated and that such trial is

necessary to resolve any remaining dispute.

The Clerk of Court is directed to withdraw any pending motions

and to close this case.

SO ORDERED.

Dated:

NEW YORK, NEW YORK

29 May 2009

VICTOR MARRERO

U.S.D.J.

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