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*Governor of State of California; DAVID MAXWELL-*  
 7 *JOLLY, Director of Department of Health Care*  
*Services of the State of California; BILL LOCKYER,*  
 8 *Treasurer of State of California*

9  
 10 IN THE UNITED STATES DISTRICT COURT  
 11 FOR THE NORTHERN DISTRICT OF CALIFORNIA

12 **THE GRAY PANTHERS OF SAN**  
 13 **FRANCISCO, a nonprofit corporation;**  
 14 **MARK BECKWITH; CALIFORNIA**  
 15 **FOUNDATION FOR INDEPENDENT**  
 16 **LIVING CENTERS, INC., a nonprofit**  
 17 **corporation; INDEPENDENT LIVING**  
 18 **CENTER OF SOUTHERN CALIFORNIA,**  
 19 **INC., a nonprofit corporation; LIFELONG**  
 20 **MEDICAL CARE, a nonprofit corporation;**  
 21 **and MARGARET DOWLING,**

22 Plaintiffs,

23 v.

24 **ARNOLD SCHWARZENEGGER,**  
 25 **Governor of State of California; KIM**  
 26 **BELSHE, Secretary of Health and Human**  
 27 **Services Agency of the State of California;**  
 28 **DAVID MAXWELL-JOLLY, Director of**  
**Department of Health Care Services of the**  
**State of California; JOHN CHIANG,**  
**Controller of State of California; BILL**  
**LOCKYER, Treasurer of State of**  
**California; and MICHAEL E. GENEST,**  
**Director of Finance of the State of**  
**California,**

Defendants.

C 09-02307-PJH

**STIPULATION AND ORDER**  
**DISMISSING LAWSUIT WITH**  
**PREJUDICE**

Date: N/A  
 Time: N/A  
 Judge: The Honorable Phyllis J.  
 Hamilton  
 Trial Date: N/A  
 Action Filed: May 26, 2009

1 The parties, through their counsel, hereby stipulate and agree as follows:

2 1. The parties enter into this stipulation to finally resolve this matter while preserving  
3 any rights plaintiffs may have to appeal.

4 2. On September 1, 2009, this Court entered an order granting the motion of defendant  
5 David Maxwell-Jolly, Director, California Department of Health Care Services (DHCS), to  
6 dismiss the first and second causes of action for failure to state a cause of action upon which  
7 relief may be granted, and providing plaintiffs with leave to amend the second cause of action by  
8 October 1, 2009. Plaintiffs have declined to amend the second cause of action.

9 3. Also on September 1, 2009, this Court entered an order granting the motion of  
10 defendant Governor Arnold Schwarzenegger and Treasurer Bill Lockyer to dismiss pursuant to  
11 Federal Rule of Civil Procedure 12(b)(1).

12 4. The third cause of action previously has been dismissed in its entirety by (1)  
13 stipulation as to Controller Chiang, and (2) a voluntary dismissal as to all other defendants.

14 5. The fourth cause of action for declaratory relief is entirely derivative of the first and  
15 second causes of action dismissed by the Court in its order on September 1, 2009 granting  
16 DHCS's motion to dismiss.

17 6. The parties request that, based on its prior rulings, the Court enter an order dismissing  
18 the complaint with prejudice, each party to bear its own costs and attorneys fees.

19 So stipulated.

20 Dated: October 27, 2009

EDMUND G. BROWN JR.  
Attorney General of California

21  
22  
23 /s/ Karin S. Schwartz  
KARIN S. SCHWARTZ  
Supervising Deputy Attorney General  
Attorneys for ARNOLD  
SCHWARZENEGGER, Governor of State of  
24 California; DAVID MAXWELL-JOLLY,  
25 Director of Department of Health Care  
26 Services of the State of California; BILL  
27 LOCKYER, Treasurer of State of California  
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Dated: October 27, 2009

EDMUND G. BROWN JR.  
Attorney General of California

*/s/ Daniel Powell*  
DANIEL POWELL  
Deputy Attorney General  
*Attorneys for JOHN CHIANG, Controller of State of California*

Dated: October 27, 2009

LYNN S. CARMAN  
STANLEY L. FRIEDMAN  
JESSIE M. SANDOVAL

*/s/ Stanley L. Friedman*  
*Attorneys for Plaintiffs*

I hereby attest that I have on file all holograph signatures for any signatures indicated by a “conformed” signature (/s/) within this efiled document.

Dated: October 27, 2009

*/s/ Karin S. Schwartz*  
KARIN S. SCHWARTZ  
Supervising Deputy Attorney General  
*Attorneys for ARNOLD SCHWARZENEGGER, Governor of State of California; DAVID MAXWELL-JOLLY, Director of Department of Health Care Services of the State of California; BILL LOCKYER, Treasurer of State of California*

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**ORDER**

Pursuant to the stipulation of the parties, and consistent with the court's prior orders in the case, the Court hereby dismisses the complaint with prejudice.

IT IS SO ORDERED

Dated: October 29, 2009

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