

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

**ORDER APPROVING REHABILITATOR'S MOTION FOR APPROVAL TO
PROCEED WITH SETTLEMENT AGREEMENT
WITH CERTAIN LVM BONDHOLDERS**

This matter came before the Court on the Rehabilitator's motion seeking approval to proceed with the terms of a written settlement agreement with certain of the LVM Bondholders (the "Settlement Agreement"). The Rehabilitator's motion was supported by the Fifth Affidavit of Roger A. Peterson, Special Deputy Commissioner for this Rehabilitation. The matter came before the Court on written notice for hearing in open court. Appearances were noted on the record.

For good cause shown, the Rehabilitator's motion for approval to proceed with the Settlement Agreement is hereby approved. The Court finds that the terms of the settlement are procedurally and substantively fair, and hereby authorizes the Rehabilitator and the Segregated Account to proceed to close and consummate the Settlement Agreement on the terms and conditions set forth in the Settlement Agreement. In the event that the settlement is effected by way of the full Commutation described in the Settlement Agreement, then the Segregated Account and Ambac Assurance Corporation shall have no further liability under the policies described in the Settlement Agreement.

Dated this ____ day of _____, 2011.

BY THE COURT:

Honorable William D. Johnston
Lafayette County Circuit Court Judge
Presiding by Judicial Appointment