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March 30, 2011

VIA FACSIMILE: 608-267-0640

A. John Voelker, Clerk  
Court of Appeals  
110 E. Main St., Ste 215  
Madison, WI, 53701

RE: *In the Matter of the Rehabilitation of  
Segregated Account of Ambac Assurance Corporation*  
Appeal Nos. 11-AP-300 and 11-AP-561

Dear Mr. Voelker:

I am one of the attorneys representing One State Street LLC, appellant in the above referenced appeals. This letter updates the Court regarding One State Street's settlement and responds to this Court's March 16, 2011 order regarding the many appeals stemming from Dane County Circuit Court Case No. 10-CV-1576, *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation*.

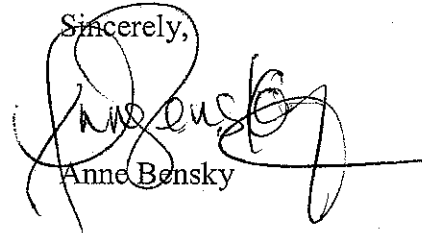
On March 1, 2011, One State Street entered into a settlement agreement (the "Settlement Agreement") with Ambac Assurance Corporation ("Ambac"), Ambac Financial Group, Inc, and the Segregated Account of Ambac, a copy of which is available for public inspection on [www.ambacpolicyholders.com](http://www.ambacpolicyholders.com). The Dane County Circuit Court and the United States Bankruptcy Court for the Southern District of New York granted motions approving the Settlement Agreement on March 21, 2011 and March 24, 2011, respectively. Certain conditions to the effectiveness of the Settlement Agreement remain outstanding. One State Street anticipates that the effective date of the Settlement Agreement will occur prior to the proposed deadlines for filing appellant briefs in these proceedings.

Until the remaining conditions to the effectiveness of the Settlement Agreement are satisfied, however, One State Street will preserve its rights to prosecute the above referenced appeals. To that end, One State Street joins in the Proposed Order Regarding

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Coordinated Briefing, filed with this Court today. Should it be necessary for One State Street to brief its two pending appeals, it will consolidate the issues raised in appeals 11-AP-300 and 11-AP-561, and may join all or part of the appellants' consolidated brief, consistent with the Proposed Order.

Please contact me with any questions.

Sincerely,  
  
Anne Bensky

CC: Michael B. Van Sicklen (via U.S. Mail)  
Daniel Stolper (via U.S. Mail)  
Service List (via email)