

March 14, 2012

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092281-0101Diane M. Fremgen, Clerk
Wisconsin Court of Appeals
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Re: *In the Matter of the Rehabilitation of the Segregated Account of Ambac Assurance Corporation*; Appeal Nos. 2010-AP-1291 and 2010-AP-2022 (Consolidated), 2010-AP-2835, 2011-AP-561 and 2011-AP-2708

Dear Ms. Fremgen:

Consistent with Rule 809.19(10) of the Wisconsin Rules of Appellate Procedure, we are writing on behalf of respondents Ted Nickel, the Wisconsin Commissioner of Insurance, and the Office of the Wisconsin Commissioner of Insurance to advise the Court of Appeals of a decision issued by the Wisconsin Supreme Court last week which has relevance to the above-captioned appeals pending in the Court of Appeals.

On March 8, 2012, the Wisconsin Supreme Court issued its decision in Appeal No. 2011-AP-987 (scheduled for publication) in which it affirmed this Court's decision, dated May 3, 2011. The case is captioned as: *In the Matter of the Rehabilitation of the Segregated Account of Ambac Assurance Corporation*, 2012 WI 22, ___ Wis. 2d ___, ___ N.W.2d ___. It arises out of the same trial court insurer rehabilitation proceeding pending in the Dane County Circuit Court, Case No. 10-CV-1576, from which each of the above-referenced appeals were also taken.

In its decision last week, this Court dismissed the United States' appeal of the Rehabilitation Court's order confirming the Commissioner's plan of rehabilitation on the grounds that the United States had waived (or, according to Chief Justice Abrahamson in her concurrence, "forfeited") the right to appeal the rehabilitation court's order. Although the Supreme Court affirmed the Court of Appeals' prior dismissal of the United States' appeal, it did so using a rationale different than the one the Court of Appeals employed in also dismissing the United States' appeal of the plan confirmation order.



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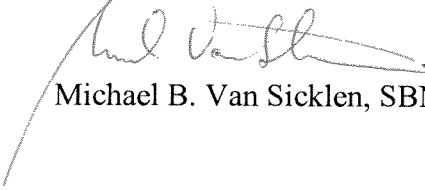
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While the legal issue addressed by the Supreme Court is not presented directly in any of the appeals pending in the Court of Appeals, we are calling the Court of Appeals' attention to the Supreme Court's decision because of the discussion by the Supreme Court at ¶¶ 2-6 and 11-19 about the background and proceedings that have taken place in the rehabilitation proceeding. The Court's discussion about the underlying rehabilitation may be of interest and relevance to the Court of Appeals in its disposition of the above-referenced appeals from the same proceeding. The 2011-AP-561 appeal before the Court of Appeals pertains to the same plan confirmation order challenged by the United States in the appeal decided by the Supreme Court last week.

Consistent with Rule 809.19(10), we have enclosed five copies of this letter and have served all parties-in-interest in the rehabilitation proceeding and the above-referenced appeals via email consistent with the service list used in the rehabilitation proceeding.

Very truly yours,

FOLEY & LARDNER LLP



Michael B. Van Sicklen, SBN 1017827

cc: Counsel of Record (via email)