

COPY

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

In the Matter of the Rehabilitation of:

SEGREGATED ACCOUNT OF
AMBAC ASSURANCE CORPORATION

2012 APR 20 PM 4:00
DANE CO. CIRCUIT COURT
Case No. 10 CV 1576

**NOTICE OF MOTION AND STIPULATED MOTION
TO MODIFY AUGUST 27, 2010 STIPULATED ORDER
IN LIGHT OF COMPLETED COMMUTATION**

I. NOTICE OF MOTION

TO: All Parties-in-Interest Per the Electronic Service List

PLEASE TAKE NOTICE that the Rehabilitator and other parties to the stipulated motion set forth below have moved the Court to modify a provision in its August 27, 2010 Stipulated Order in light of the completed commutation effected by the parties to the stipulated motion. Please note that the Rehabilitator believes that, in the absence of any specific objection and request for a hearing by a party-in-interest, the matter does not need to be scheduled for a hearing. Accordingly, please take further notice that, absent a written objection to the stipulated motion being filed and served within ten days of the service of this Notice of Motion and Stipulated Motion, the Rehabilitator will ask that the Court act on the Stipulated Motion without further notice or hearing.

II. MOTION

This stipulated motion is submitted by DEPFA BANK plc ("Depfa"), Lloyds TSB Bank plc ("Lloyds"), The Bank of New York Mellon Trust Company, N.A.,

("BNY Mellon"), and the court-appointed Rehabilitator (together, the "Parties"), each by their respective undersigned counsel.

WHEREAS, on August 27, 2010, the Court entered an Order Approving Stipulated Resolution of Depfa Bank, plc's Second Motion (the "August 27, 2010 Stipulated Order");

WHEREAS, the August 27, 2010 Stipulated Order (a) authorized the Rehabilitator to consent to the modification of the March 24, 2010 Injunction in this case to permit the parties to an action entitled *The Bank of New York Mellon Trust Company, N.A. v. DEPFA BANK plc and Lloyds TSB Bank et al.*, No. 10-CIV-4424 (S.D.N.Y.) (the "Interpleader Litigation") – which concerned bonds issued by Access to Loans for Learning Student Loan Corporation ("ALL") and insured by Ambac Assurance Corporation – to participate in that litigation without violating the March 24, 2010 Injunction; and (b) prohibited the notice or declaration of any Event of Default or the exercise of any remedies under the Indenture for the bonds at issue in the Interpleader Litigation without leave from the Circuit Court; and

WHEREAS, on March 7, 2012, the Court issued an Order Granting Rehabilitator's Motion to Approve Release Agreement and Commutation of Policies Relating to ALL, Depfa, Lloyds and BNY Mellon (the "Commutation Order"), which approved, subject to specified conditions, a Release Agreement

and the commutation of policies providing financial guaranty insurance relating to certain bonds issued by ALL; and

WHEREAS, on March 29, 2012, all of the specified conditions of the Commutation Order were satisfied, and on March 29, 2012, the Release Agreement was executed and consummated, and Policy Nos. 24368BE and 25599BE and Surety Bond No. SF0830BE (the "Policies") were commuted, and the settlement of the Interpleader Litigation became effective (collectively, the "Commutation Closing").

NOW, THEREFORE, the Parties move the Court to modify its August 27, 2010 stipulated order regarding these Parties for the reasons detailed below:

1. Notwithstanding that the Commutation Order and the occurrence of the Commutation Closing had the practical effect of rendering moot the restrictive provisions of the August 27, 2010 Stipulated Order regarding any declaration by Depfa, Lloyds or BNY Mellon of any event of default or the exercise of any remedies under the Indenture, those parties have expressed concern to the Rehabilitator that certain language at the top of page 3 of the Stipulation approved in this Court's August 27, 2010 Order could be construed as still potentially constraining certain potential prospective actions by them in regard to the Indenture. Following the Commutation Closing, those potential actions pose no potential adverse effects on Ambac Assurance Corporation or its Segregated Account. The sentence in question is the following:

Each of BNY Mellon, DEPFA and Lloyds may assert claims against ALL or by, against, or between each other, arising under, or pertaining to, the DEPFA or Lloyds Liquidity Facilities (a/k/a the Standby Bond Purchase Agreements) or the Indenture, and reserve all rights and remedies with respect to such claims; provided, **however, unless the above-captioned Wisconsin court expressly orders otherwise, that BNY Mellon, DEPFA or Lloyds may not declare or notice an Event of Default under the Indenture, nor exercise or attempt to exercise, any remedies under the Indenture with respect to the Pledged Assets or otherwise. During the pendency of the Interpleader Litigation, BNY Mellon, DEPFA and Lloyds shall serve the undersigned counsel for the Rehabilitator with a courtesy copy of any Notices they serve on each other containing such claims.**

(August 27, 2010 Stipulated Motion at page 3, paragraph 1 (emphasis added).)

2. The Rehabilitator believes that the highlighted portion of the above-quoted language approved in this Court's prior order is no longer necessary to protect the rehabilitation and is therefore willing to join in this stipulated motion requesting that this Court enter the attached form of order to clarify that, in light of the Commutation Closing, BNY Mellon, Depfa and Lloyds no longer need to comply with that portion of the Parties' stipulation approved in this Court's August 27, 2010 Order which is quoted above with emphasis. The Rehabilitator joins with the other parties in requesting that the Court grant this relief by entry of the attached form of order.

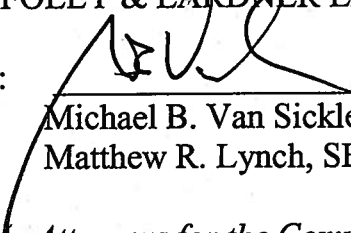
3. The Parties agree that this Stipulated Motion may be executed in counterpart with signatures provided by facsimile or email.

ACCORDINGLY, IT IS HEREBY STIPULATED AND AGREED, and requested, that the Court enter the attached form of Order modifying the August 27, 2010 Order.

Dated: 4/20/12

FOLEY & LARDNER LLP

By:



Michael B. Van Sicklen, SBN 1017827
Matthew R. Lynch, SBN 1066370

*Attorneys for the Commissioner of Insurance, as
Rehabilitator of the Segregated Account of Ambac
Assurance Corporation*

Dated:

O'NEIL, CANNON, HOLLMAN, DeJONG &
LAING, S.C.

By:

Grant C. Killoran, SBN 1015503
Gregory W. Lyons, SBN 1000492

Attorneys for DEPFA Bank, PLC

Dated:

LAW OFFICE OF LAWRENCE BENSKY, LLC

By:

Lawrence Bensky, SBN 1017219

Attorneys for Lloyds TSB Bank plc

Dated:

SOLHEIM BILLING & GRIMMER, S.C.

By

Laura E. Callan, SBN 1017353

*Attorneys for The Bank of New York Mellon Trust
Company, N.A.*

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Dated: FOLEY & LARDNER LLP

By: _____
Michael B. Van Sicklen, SBN 1017827
Matthew R. Lynch, SBN 1066370

*Attorneys for the Commissioner of Insurance, as
Rehabilitator of the Segregated Account of Ambac
Assurance Corporation*

Dated: 4/19/12 O'NEIL, CANNON, HOLLMAN, DeJONG &
LAING, S.C.

By: _____
Grant C. Killoran, SBN 1015503
Gregory W. Lyons, SBN 1000492
Attorneys for DEPFA Bank, PLC

Dated: LAW OFFICE OF LAWRENCE BENSKY, LLC

By: _____
Lawrence Bensky, SBN 1017219

Attorneys for Lloyds TSB Bank plc

Dated: SOLHEIM BILLING & GRIMMER, S.C.

By: _____
Laura E. Callan, SBN 1017353

*Attorneys for The Bank of New York Mellon Trust
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Dated: O'NEIL, CANNON, HOLLMAN, DeJONG &
LAING, S.C.

By: _____
Grant C. Killoran, SBN 1015503
Gregory W. Lyons, SBN 1000492

Attorneys for DEPFA Bank, PLC

Dated: *April 19, 2019* LAW OFFICE OF LAWRENCE BENSKY, LLC

By: *Lawrence Bensky*

Lawrence Bensky, SBN 1017219

Attorneys for Lloyds TSB Bank plc

Dated: SOLHEIM BILLING & GRIMMER, S.C.

By: _____
Laura E. Callan, SBN 1017353

*Attorneys for The Bank of New York Mellon Trust
Company, N.A.*

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Dated: FOLEY & LARDNER LLP

By: _____
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Matthew R. Lynch, SBN 1066370

*Attorneys for the Commissioner of Insurance, as
Rehabilitator of the Segregated Account of Ambac
Assurance Corporation*

Dated: O'NEIL, CANNON, HOLLMAN, DeJONG &
LAING, S.C.

By: _____
Grant C. Killoran, SBN 1015503
Gregory W. Lyons, SBN 1000492

Attorneys for DEPFA Bank, PLC

Dated: LAW OFFICE OF LAWRENCE BENSKY, LLC

By: _____
Lawrence Bensky, SBN 1017219

Attorneys for Lloyds TSB Bank plc

Dated: 4/19/2012 SOLHEIM BILLING & GRIMMER, S.C.

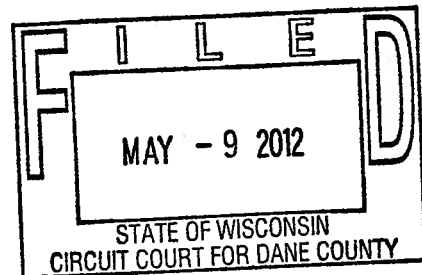
By: _____
Laura E. Callan, SBN 1017353

*Attorneys for The Bank of New York Mellon Trust
Company, N.A.*

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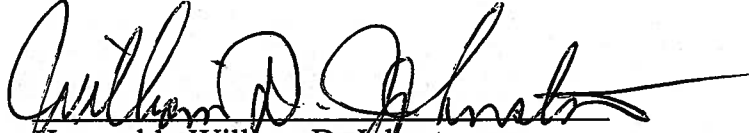
ORDER

Based upon the foregoing stipulation, and good cause appearing therefor, it is hereby ordered that the relief requested in the foregoing stipulation is granted and the August 27, 2010 Order is modified as requested in the Stipulated Motion. Specifically, in light of the Commutation Order and the Commutation Closing thereon, it shall not be a violation of this Court's orders for BNY Mellon, Depfa or Lloyds to declare or notice to each other any Event of Default by any of them under the Trust Indenture by and between Access to Loans for Learning Student Loan Corporation and JPMorgan Chase Bank, National Association, as trustee, dated as of August 1, 2005 (as amended and supplemented most recently by the Third Supplemental Indenture dated as of March 28, 2012 (the "Indenture")) or to exercise or attempt to exercise any remedies by any of them under the Indenture with respect to the Pledged Assets or otherwise (the foregoing capitalized terms are as defined in the August 27, 2010 Stipulation and Order). It is further ordered that BNY Mellon, Depfa and Lloyds no longer need to serve the Rehabilitator's counsel with courtesy copies of any notices about alleged events of default that they may serve on each other. Nothing in this Order shall be construed to alter or limit any terms of this Court's Commutation Order or the protections provided to Ambac and the Segregated Account pursuant to the Release Agreement entered into as part of the Commutation Closing.



IT IS SO ORDERED this 9th day of ~~April~~ ^{May}, 2012.

BY THE COURT



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

· C: To All Parties
On the Attached
Lost

> 5/14/12
JB

CC: SERVICE LIST in Dane County Case # 10-CV-1576

Alazraki, Marcia D	Munson, Jr. Earl
Bailey, Kristine	Muth, R. Timothy
Bane, Mark I.	Olejniak, Andrew J.
Bartzen, James E.	Nowicki, Bryan K.
Bensky, Anne M	Padnos, Todd L.
Bensky, Lawrence	Parrett, Noreen J.
Benson, Paul E.	Polakowski, Jessica L
Bentley, Philip	Primps, William G.
Bloomgarden, Craig S.	Reinthaler, Richard W.
Callan, Laura E.	Ricardo, Henry J.
Canton, Amy	Riches, Jonathan Lee (pro se)
Christensen, Dale C.	Roberts, Lynn
Cisar, David I.	Rosenthal, John M.
Crocker, Randall D.	Saffitz, Emily L.
Davidson, Andrew K.	Schlicht, Jane C.
Franke, John	Simon, John B.
Friedman, James A.	Stolper, Daniel W.
Gaughan, Anthony J.	Stroebel, Christopher J.
Goodchild III, John C.	Trostle, Patrick J.
Greenwald, David M.	Van Sicklen, Michael B.
Hopper, Thomas R.	Van Tol, Peter
Houghton, Leah M.	Walsh, David G.
Ivanick, Peter A.	Weed, Michael C.
Jacquemot, Susan	Weiss, Allison H.
Everts, Gregory T.	Welsch, Thomas J.
Kern, Melissa A.	Klugman, Steven
Killoran, Grant C.	Whitmer, Steven T.
Lipps, Jeffrey A.	Williamson, Brady C.
Lovern, Susan E.	Wisniewski, Kevin A.
Lucey, Paul A.	Zeavin, Robert A.
Lynch, Matthew R.	
Lyons, Gregory W.	Honorable William D. Johnston
McNeil, Kathleen G.	
Martin, D. Ross	Owen, James C.
Mitchell, Greg E.	DeVore, Andrew G.
Moenick, Nathan L.	Carter, Rodney
	Dama, Michelle L.
	Smith, Ann Ustad
	Ermatinger Hanan, Beth
	Brody, Michael
	Schott, Donald K.
	Splitek, Matthew J.
	Morgan, Stephen L.
	Freedman, Jonathan