

August 1, 2012

Honorable William D. Johnston
Lafayette County Circuit Court
Lafayette County Courthouse
626 Main Street
Post Office Box 40
Darlington, Wisconsin 53530-0040

Re: *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation*; Dane County Circuit Court Case No. 10 CV 1576

Dear Judge Johnston:

Enclosed for your information is a courtesy copy of the Rules Governing the Submission, Processing and Partial Payment of Policy Claims in Accordance with [your] June 4, 2012 Interim Cash Payment Order. We are filing the original by copy of this letter with Ms. Baux in the Dane County Circuit Court.

Please note that the Rehabilitator developed the enclosed Rules with input from the company as the management services provider. We circulated the Rules in draft form to the policyholder trustees on Monday, July 16, for their advance review so we had the opportunity to address any questions or comments they might have about the process detailed in the Rules.

Please also note that we are posting the enclosed Policy Claim Rules in a prominent location on the court-approved website. As will be noted there, the Policy Claim Rules specify that policyholders that submit claims during any month are eligible to receive 25% of the amount of their permitted policy claim from the Segregated Account on or around the 20th day of the following month. Accordingly, policyholders that submit policy claims during the month of August that are approved for payment by the Rehabilitator in accordance with the Policy Claim Rules will receive 25% of the amount of each permitted policy claim from the Segregated Account on September 20, 2012.



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This filing is informational and does not request or require any court action.

Thank you for your attention to this matter.

Very truly yours,

FOLEY & LARDNER LLP

Michael B. Van Sicklen

Enclosure

cc: Jody Baux, Ambac Clerk, Dane County Circuit Court (with enclosure, via hand delivery)
All Counsel of Record (with enclosure, via email)