

July 2, 2014

VIA HAND DELIVERY

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Ms. Celia Zeinert
Ambac Clerk, Dane County Circuit Court
Dane County Courthouse
215 South Hamilton Street
Madison, Wisconsin 53703

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

Dear Ms. Zeinert:

Enclosed for filing in the above-referenced insurer rehabilitation proceeding is the Commissioner's Opposition to Axonic's Motion to Intervene. Please note that the Commissioner has no objection to the proposed form of the *pro hac vice* order submitted by Axonic.

Thank you for your attention to this matter.

Very truly yours,

FOLEY & LARDNER LLP



Matthew R. Lynch

Enclosure

cc: Honorable William D. Johnston (with enclosure, via first-class mail)
All Counsel of Record (with enclosure, via email)

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

COMMISSIONER'S OPPOSITION TO AXONIC'S MOTION TO INTERVENE

The Commissioner of Insurance of the State of Wisconsin, as Rehabilitator of the Segregated Account of Ambac Assurance Corporation, submits the following opposition to the June 27, 2014 motion to intervene filed by Axonic Capital LLC Credit, Axonic Opportunities Master Fund LP, and OC 523 Master Fund LTD (together, "Axonic") in the above-captioned proceeding.

Denial of the motion is warranted because Axonic seeks relief that is unavailable. Specifically, it brings its motion for intervention under Wis. Stat. § 803.09. As the Wisconsin Court of Appeals held last fall in upholding this Court's denial of motions to intervene in this rehabilitation, "the rules of civil procedure do not apply to rehabilitation proceedings and therefore the intervention statute, which is contained in the rules of civil procedure, does not apply here." *Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corp.*, 2013 WI App 129, ¶ 162, 351 Wis. 2d 539, 841 N.W.2d 482.

Moreover, even if formal intervention under Wis. Stat. § 803.09 were available, it would be unnecessary. Axonic offers no reason why the same right to be heard this Court has granted to all entities with an interest in the rehabilitation is insufficient to address the objections it has raised. Nor does its cursory motion identify any grounds for distinguishing its request for intervention from substantially identical requests from virtually all other entities that have

formally participated in this rehabilitation.¹ All of those requests were denied, but those and other entities were provided the right to be heard on their requests or objections. Axonic provides no reason why this Court should reach a different result with regard to its request for intervention than it has reached with all other entities who have made the same request.

For the foregoing reasons, this Court should deny Axonic's motion to intervene in this rehabilitation.

Dated this 2nd day of July,
2014.

FOLEY & LARDNER LLP

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Segregated Account of Ambac Assurance
Corporation*

¹ For that reason, the Commissioner hereby adopts and incorporates its prior oppositions to various motions to intervene in this rehabilitation.