

EXHIBIT 8

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July 25, 2016

Via E-mail and Overnight Express

Jeffrey A. Simmons, Esq.
Foley & Lardner LLP
Suite 5000
150 E. Gilman Street
Madison, WI 53703-1482

Re: *In re The Segregated Account of Ambac Assurance Corporation,*
Wisconsin Circuit Court Case No. 10cv1576

Dear Mr. Simmons:

As you know, we represent the borrowers for several privatized military housing development projects (“Borrowers”) in ongoing litigation adverse to Ambac Assurance Corporation, pending in several jurisdictions. On July 21, 2016, we received the Rehabilitator’s Notice of Motion and Motion to Confirm and Declare the Nature of the These Proceedings (“Rehabilitator’s Motion”), which your office filed on July 15, 2016.

The Rehabilitator’s Motion appears unusual in that it seeks to interfere in litigation over which it admittedly has no authority. As a result, we believe that certain limited, expedited discovery is necessary in order for Borrowers to address fairly the assertions and requested relief of the Motion. Borrowers thus request that the Rehabilitator consent to the following limited discovery prior to August 19 in order to facilitate the current August 26 objection deadline:

- Production of any policies, or categories of policies if appropriate, in Ambac’s General or Segregated Account that contain default triggers substantially similar¹ to those found in Borrowers’ contracts. If needed, Ambac may reasonably redact portions of the policies that are not germane to the Motion and are considered confidential with respect to third parties.

¹ In this context, a substantially similar provision means a default trigger that in substance contains the same substantive provisions found in Borrowers’ contracts, as detailed in Paragraph 11 of the Rehabilitator’s Motion.

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- Production of any documents relating to concerns that “placing Ambac into rehabilitation or liquidation proceedings” could constitute a default under the specific default trigger language found in *Borrowers’ specific contracts*. See Rehabilitator’s Motion at ¶ 20, 24.
- Production of any analysis done by or on behalf of the Rehabilitator, or provided to the Rehabilitator, regarding whether “capitalizing the Segregated Account” through “issuance of the Secured Note and Excess-of-Loss Reinsurance Agreement were deemed to constitute a transfer of assets from Ambac to the Segregated Account or the appointment of a receiver for Ambac’s assets.” *Id.* at ¶ 31.
- A deposition pursuant to Wisconsin Statute § 804.05(2)(e) of the Rehabilitator or its designee, regarding paragraphs 24 and 31 of the Rehabilitator’s Motion and paragraph 17 of the related Proposed Order.

Borrowers further request that you identify the names of any other borrowers or policyholders that have contracts or policies containing substantially similar (see footnote 1) default triggers to those found in Borrowers’ contracts, and state whether they have been provided notice of the Rehabilitator’s Motion. Please respond no later than August 1 whether the Rehabilitator will agree to this limited and expedited discovery request.

Sincerely,



Donna M. Welch, P.C.

cc: Jeffrey L. Willian, P.C.