EXHIBIT 18

I, Bruce Deal, declare as follows:

1. I previously submitted declarations in this same litigation on May 24, 2016 relating to document production and on August 10, 2016 relating to Monterey Bay Military Housing, LLC's litigation-related legal expenses and Debt Service Coverage Ratio. I am an economist and Managing Principal with Analysis Group, Inc., an economic and financial consulting firm. I have provided economic testimony in dozens of matters over 20 years and have led the economic analysis on hundreds of projects covering a wide range of economic topics, including many matters involving various lines of insurance. I hold a Master's degree in Public Policy from the Kennedy School of Government at Harvard University and a B.A. in Economics and Global Studies from Pacific Lutheran University. Prior to joining Analysis Group, I taught economics to graduate students at Harvard University, worked as a consultant in Indonesia for a consulting arm of Harvard University, and worked as a senior consultant and manager for Arthur Andersen.

2. As I describe below, I have been asked to review the documents produced on September 20, 2016 by Ambac in response to the Monterey Court's August 22, 2016 Order, which ordered production of "any such policies or contracts [with substantially similar default trigger language to that found in the Monterey project documents] that Ambac is aware of, or documents sufficient to show the existence and extent of such policies or contracts and samples of such policies or contracts."

3. It is my understanding that Ambac has taken the position that if a default were found based on the specific default trigger language in Sections (c)(i) and (c)(ii) of the definition of Ambac Default in the Monterey Project documents, it would

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cause significant financial harm to Ambac because it could lead to a default under other policies with substantially similar language to that found in the Monterey documents.

4. In summary, Ambac produced 172 documents, relating to 75 unique policies in response to the Court's Order. As I describe, based on Ambac's production, only 7 active policies in the General Account have default trigger language that may be considered substantially similar to the language in (c)(i) or (c)(ii), which is a tiny fraction (1/600th) of all of the 4,587 total policies known to be in Ambac's General Account as of December 31, 2015.[1] In addition, many of these 7 policies do not have direct economic harm implications should their default provisions be triggered.

5. In Exhibit 1 below, I summarize my findings. 48 of the 75 policies produced by Ambac relate to policies that have already expired, with an additional 19 policies that do not appear in Ambac's September 30, 2010 list of exposures, and are most likely expired. One policy is still active, but is in the Segregated Account. Only 7 policies can be confirmed as being currently active and held in the General Account, representing a tiny fraction of Ambac's current exposure.

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[1] "2016 Annual Report on the Rehabilitation of the Segregated Account of Ambac Assurance Corporation," Case No. 10 CV 1576, p. 19, filed June 1, 2016.

Exhibit 1: Summary of Policy Documents Produced by Ambac

Category	Policy Documents[1]	Unique Policies[2]	Ratio to General Account Policies[3]	Gross Par (1000's USD)[4]	Net Par (1000's USD)[5]
Expired[6]	98	**48**		N/A	N/A
Do Not Appear[7]	28	**19**		N/A	N/A
Active - Segregated[8]	4	**1**		225,734	187,641
Active - General[9]	14	**7**	~1/600	1,336,301	1,232,557
Total	**144**	**75**		**1,562,035**	**1,420,197**

See Appendix 1 for Notes and Sources.

6. As I understand Ambac's theory of collateral damage, Ambac is concerned that a finding of Ambac default in this matter based on the default language in the agreements[2] might result in the eventual finding of default for other still-active policies in the General Account with similar default language.[3] At least in theory, Ambac is concerned that these "collateral" findings could result in significant, direct economic harm to Ambac.

7. I use several sources of data to match and categorize the policy documents produced by Ambac to the underlying financial instruments insured by Ambac, as discussed in Appendix 2. These include Ambac's list of insured exposures in 2010 and 2016 and the list of Ambac policies allocated to the Segregated Account.[4] The policy documents produced by Ambac fall into four categories:

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[2] "the occurrence of any of the following events: [...] (c) a court of competent jurisdiction or another competent regulatory authority enters a final and nonappealable order, judgment or decree (i) appointing a custodian, trustee, agent or receiver for Ambac or for all or any material portion of its property or (ii) authorizing the taking of possession by a custodian, trustee, agent or receiver of Ambac (or taking of possession of all or any material portion of Ambac's property)." Grantor Trust Agreement authorizing GMAC Commercial Military Housing Trust X, Series 2003A, October 1, 2003.

[3] August 18th, 2016 Hearing Transcript, p. 6 13-22 ("ripple damage").

[4] "Ambac Single Risk Exposure by CUSIP" as of June 30, 2016: http://www.ambac.com/excel/Single_Risk_Exposures_by_CUSIP.xlsx; "Ambac Single Risk Exposure by CUSIP" as of September 30, 2010, archived December 6, 2010: https://web.archive.org/web/20100501000000*/http://www.ambac.com/excel/Single_Risk_Exposures_by_CUSIP.xlsx "Segregated Account CUSIP Information as of Oct. 8, 2010": http://ambacpolicyholders.com/segregated-account-policies/

(i) policies that have expired, (ii) policies that do not appear in Ambac's list of insured exposures in 2010 and 2016, (iii) policies that are active but allocated to the Segregated Account, and (iv) policies that are active and remain in Ambac's General Account.

Category 1: Policy Documents Relating to Expired Policies

8. The majority of the policy documents produced by Ambac relate to policies that have expired and are no longer in effect. As shown in Exhibit 1, 48 of the policies produced by Ambac, representing nearly 2/3 of the 75 policies identified by Ambac, relate to policies that have expired. For these policies, a finding of default in the current litigation would have no economic effect on Ambac, since there is no ongoing financial obligation or risk to Ambac. Thus, these documents are irrelevant for purposes of analyzing any potential for collateral damage.

Category 2: Policy Documents Relating to Policies that Do Not Appear on Ambac's 2010 List (Likely Expired)

9. Policy documents for an additional 19 of the 75 policies cannot be matched to a policy listed on Ambac's September 30, 2010 list of exposures, as shown in Exhibit 1. All of these policies are dated between 1995 and 2008, preceding Ambac's rehabilitation, and the absence of a match is consistent with a finding that the policy had expired prior to the creation of Ambac's 2010 list of exposures.

Category 3: Policy Documents Relating to Policies that Are Active and Allocated to the Segregated Account

10. I have identified one active policy among the 75[5] that was allocated to the

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[5] The name for this policy in the Segregated Account is "Augusta Funding Limited IV," AMBAC

Segregated Account,[6] as shown in Exhibit 1. However, I understand that policies in the Segregated Account are subject to an injunction that prevents policyholders and/or counterparties from terminating, collecting on, or claiming against such policies, and thus there would be no possible collateral harm.[7]

Category 4: Policy Documents Relating to Policies that are Active and Remain in the General Account

11. There are only 7 policies that appear to be currently active policies in the General Account, as shown in Exhibit 1. These 7 policies represent a tiny fraction (less than 1/600th) of the 4,587 policies[8] still active in the General Account as of December 31, 2015.

12. I also reviewed language in the policy documents related to the 7 active policies in the General Account. It appears that, for more than half of these policies, the actual consequence of a determination of Ambac default is the loss of consent, oversight, or similar rights,[9] as in the Monterey agreement.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed on September 30, 2016 in Menlo Park, CA

00262480; AMBAC 00262517; AMBAC 00262574; AMBAC 00262780.
[6] "Segregated Account CUSIP Information as of Oct. 8, 2010":
http://ambacpolicyholders.com/segregated-account-policies/
[7] "Order for Temporary Injunctive Relief," March 24, 2010, ¶ 4.
[8] "2016 Annual Report on the Rehabilitation of the Segregated Account of Ambac Assurance Corporation," Case No. 10 CV 1576, p. 19, filed June 1, 2016.
[9] As an example, "Each Policy Provider [Ambac Assurance Corporation] agrees that to the extent its consent or approval is required under this Indenture or any other Related Document, such consent is not required in the event that either a Policy Provider Non-Consent Event or a Policy Provider Default has occurred and is continuing with respect to such Policy Provider." *See* AMBAC 00261127.

Appendix 1: Exhibit 1 Notes and Sources

Sources:
[A] Bloomberg and Capital IQ.
[B] Policy Documents Produced by Ambac.
[C] "Ambac Single Risk Exposure by CUSIP" as of June 30, 2016:
http://www.ambac.com/excel/Single_Risk_Exposures_by_CUSIP.xlsx.
[D] "Ambac Single Risk Exposure by CUSIP" as of September 30, 2010, archived December 6, 2010:
https://web.archive.org/web/20100501000000*/http://www.ambac.com/excel/Single_Risk_Exposures_by
_CUSIP.xlsx.
[E] "Segregated Account CUSIP Information as of Oct. 8, 2010":
http://ambacpolicyholders.com/segregated-account-policies/.
[F] "2016 Annual Report on the Rehabilitation of the Segregated Account of Ambac Assurance
Corporation," Case No. 10 CV 1576, p. 19, filed June 1, 2016.

Notes:
[1] The count of policy documents reflects the number of policy documents produced by Ambac for a given
insured entity. In addition to the 144 policy documents, 28 emails were also produced by Ambac.
[2] The count of unique policies reflects the number of separately dated policy documents for each insured
entity. For instance, if an insured entity has sets of policy documents that are separately dated in 2005 and
2006, each set will be reflected as a separate policy.
[3] "Ratio to General Account Policies" reflects the ratio of unique policies to the number of policies in the
General Account as of 12/31/2015 based on the 2016 Annual Report on Rehabilitation.
[4] Gross Par is based on Ambac's June 30, 2016 list of exposures.
[5] Net Par is based on Ambac's June 30, 2016 list of exposures.
[6] The count of expired policies reflects policies which are identified in Ambac's September 30, 2010 list
of exposures and which are not present in Ambac's June 30, 2016 list of exposures.
[7] The count of policies which do not appear reflects policies that cannot be matched to a policy listed on
Ambac's September 30, 2010 list of exposures.
[8] The count of active policies in the Segregated Account reflects policies which are identified in Ambac's
September 30, 2010 and June 30, 2016 lists of exposures and which are also listed on Ambac's October
8, 2010 list of Segregated Account policies.
[9] The count of active policies in the General Account reflects policies which are identified in Ambac's
September 30, 2010 and June 30, 2016 lists of exposures and which are not listed on Ambac's October 8,
2010 list of Segregated Account policies.

Appendix 2: Sources and Methodology for Matching

I use several sources of data to match and categorize the policy documents produced by Ambac to the underlying financial instruments insured by Ambac, including:

- Ambac's publicly available lists of all of its several thousand insured policies, known as "exposures", as of two points in time, September 30, 2010 (the point closest in time following the regulatory action that created the Segregated account), and June 30, 2016 (the most recently available information from Ambac's public website).[10] This data includes the name of the insured, the corresponding debt unique identifier (the "CUSIP"), information on the insured amount (gross and net), and selected other information. This information does not include the Ambac policy number.

- The detailed list of several hundred policies that were allocated to the Segregated Account as of October 8, 2010.[11] This appears to be the most recent date for this detailed list. These include the CUSIP for the underlying financial instrument insured by Ambac, the name of the insured, and the Ambac policy number. The CUSIP, and to a lesser extent the name, allows for a unique match across these data sources.

- Financial databases, such as Bloomberg and Capital IQ, allow me to cross-reference data in the policy documents with data in Ambac's list of exposures.

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[10] "Ambac Single Risk Exposure by CUSIP" as of June 30, 2016:
http://www.ambac.com/excel/Single_Risk_Exposures_by_CUSIP.xlsx;
"Ambac Single Risk Exposure by CUSIP" as of September 30, 2010, archived December 6, 2010:
https://web.archive.org/web/20100501000000*/http://www.ambac.com/excel/Single_Risk_Exposures_by_CUSIP.xlsx
[11] "Segregated Account CUSIP Information as of Oct. 8, 2010":
http://ambacpolicyholders.com/segregated-account-policies/

Categorization Methodology:

Category 1: Policy Documents Relating to Expired Policies

> I categorize policies as expired when I am able to match a policy document to Ambac's September 30, 2010 list of exposures and/or financial identification code (CUSIP) and the corresponding exposure is not listed on Ambac's June 30, 2016 list of exposures and CUSIPs.

Category 2: Policy Documents Relating to Policies that Do Not Appear on Ambac's 2010 List (Likely Expired)

> I categorize policies as "Do Not Appear" if they have no apparent match in either Ambac's list of September 30, 2010 exposures or Ambac's list of June 30, 2010 exposures.

Category 3: Policy Documents Relating to Policies that Are Active and Allocated to the Segregated Account

> I first categorize policies as active when I am able to match a policy document to Ambac's September 30, 2010 list of exposures and/or financial identification code (CUSIP) and the corresponding exposure is also listed on Ambac's June 30, 2016 list of exposures and CUSIPs.
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> I additionally categorize these active policies as policies that were allocated to the Segregated Account if the corresponding policy also matches the list of policies allocated to the Segregated Account on October 8, 2010.

Category 4: Policy Documents Relating to Policies that are Active and Remain in the General Account

> I first categorize policies as active when I am able to match a policy document to Ambac's September 30, 2010 list of exposures and/or financial identification code (CUSIP) and the corresponding exposure is also listed on Ambac's June 30, 2016 list of exposures and CUSIPs.
>
> I additionally categorize these active policies as policies that remain in the General Account if the corresponding policy does not have a match on the list of policies allocated to the Segregated Account on October 8, 2010.