

In the Matter of the Rehabilitation of:
Segregated Account of Ambac Assurance
Corporation

Case No. 10 CV 1576

FILED
JUN 1 2017

DANE COUNTY CIRCUIT COURT

**REHABILITATOR'S MOTION FOR AN EXTENSION
TO FILE ITS ANNUAL REPORT**

The Wisconsin Office of the Commissioner of Insurance, as the Court-appointed Rehabilitator of the Segregated Account of Ambac Assurance Corp. (the "Rehabilitator"), hereby moves the Court for an extension of time to file an Annual Report under Section 7.01 of the Plan of Rehabilitation until the close of business on June 5, 2017. A proposed Order accompanies this motion. The Rehabilitator's request is based on and necessitated by the following:

1. On May 3, 2017, the Commonwealth of Puerto Rico, by its Financial Oversight and Management Board, filed a Petition under Title III of PROMESA, with the United States District Court for the District of Puerto Rico (case number 17-CV-1578).¹
2. The Oversight Board filed subsequent Petitions on May 5, 2017 on behalf of the Puerto Rico Sales Tax Findings Incorporation (or "COFINA") and on May 21, 2017 on behalf of the Puerto Rico Highways and Transportation Authority.
3. Ambac has financial exposure in Puerto Rico. The Rehabilitator and his advisors are continuing to work diligently to evaluate the potential impact of developments of these recent PROMESA Title III filings on the Rehabilitation proceedings.

¹ PROMESA is the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. §§ 2101-2241. Title III of PROMESA allows for reorganization of the Commonwealth's debts by incorporating Sec. 362 of Chapter 11 of the U.S. Bankruptcy Code.

4. Also, Ambac released its 2017 first quarter earnings report on May 10, 2017.

5. The Rehabilitator and his advisors need additional time to evaluate Ambac's potential exposure in Puerto Rico and changes, if any, as a result of the PROMESA Title III Petitions, as well as Ambac's recent financial disclosures.

THEREFORE, the Rehabilitator respectfully requests that its motion for an extension of the deadline in Section 7.01 of the Plan of Rehabilitation be granted until June 5, 2017.

Dated at Milwaukee, Wisconsin this 1st day of June, 2017.

MICHAEL BEST & FRIEDRICH LLP

By: 

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JUN 1 2017

DANE COUNTY CIRCUIT COURT

June 1, 2017

VIA MESSENGER

Hon. Richard G. Niess
Dane County Courthouse
215 S Hamilton St #1000
Madison, WI 53703

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

Dear Judge Niess:

The enclosed motion is to request an extension for the Rehabilitator to file its Annual Report pursuant to Section 7.01 of the Plan of Rehabilitation until June 5, 2017. As set forth in the motion, significant developments in the Commonwealth of Puerto Rico, potentially impacting Ambac's financial exposure, is the reason for this request.

Enclosed is a Proposed Order for the Court's consideration.

Very truly yours,

MICHAEL BEST & FRIEDRICH LLP

John D. Finerty, Jr.

JDF:jc

Enclosures

cc: All counsel of record (*via* Electronic Mail, w/enc.)

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