



FILED
11-14-2017
CIRCUIT COURT
DANE COUNTY, WI
2010CV001576

Michael P. Crooks
mcrooks@pjmlaw.com

November 14, 2017

VIA E-FILING

The Honorable Richard G. Niess
Circuit Judge, Branch 9
Dane County Courthouse
215 South Hamilton Street
Madison, WI 53703

RE: *In the Matter of the Rehabilitation of:
Segregated Account of Ambac Assurance Corporation
Dane County Case No. 10-CV-1576
Our File No. 1098-0673*

Dear Judge Niess:

I write to respond briefly to the Rehabilitator's counsel's November 14, 2017 letter. Three points are in order.

First, the Motion to Adjourn filed by the General Account Stakeholders is not an "objection" and the time allocated by the Court on November 17 is not for a "motion hearing". Per the Court's docket, it is a "status conference" to inform the Court of the reasons for the Motion to Adjourn and why the existing Scheduling Order in this matter has been rendered outdated and, in the General Account Stakeholders' view, completely unfair and unworkable by events that were unforeseen when the Scheduling Order was entered. The General Account Stakeholders believe it is in the interests of all parties with a stake in these proceedings for the Court to be fully informed about the catastrophic, recent events that challenge these proceedings and have an opportunity to review and, if the Court determines appropriate, revise the Scheduling Order. Because the Court clearly does not intend an evidentiary hearing, there is no need for testimony or witnesses and thus no prejudice to the Rehabilitator if parties are unavailable because they are conducting "due diligence" in Puerto Rico.

Second, contrary to the Rehabilitator's assertions, the General Account Stakeholders have not "ignored this Court's Scheduling Order." Nor are they trying to advance the time frame for filing and hearing objections. To the contrary, the General Account Stakeholders are seeking to postpone those dates, as well as consideration of the Rehabilitator's September 2017 application because subsequent events, most notably, Hurricane Maria, have rendered the Rehabilitator's papers stale, misleading and in obvious need of amendment. Despite numerous requests, the Rehabilitator has refused to make any reasonable adjustment to the Scheduling Order to allow the Court and all parties to proceed in this case on the basis of current and realistic evidence and with an appropriate time to object and respond thereto.

PETERSON, JOHNSON & MURRAY, S.C.
Attorneys at Law

PETERSON, JOHNSON & MURRAY, S.C.

The Honorable Richard G. Niess

November 14, 2017

Page 2

Third, the notion that April 15, 2018 is a date set in stone is belied by the exhibits to the Rehabilitator's motion, which includes a set of slides titled "Ambac Transaction Mechanics." A legend on the cover reads:

Estimated payments assuming a transaction close on 6/30/2018.

In short, there is no danger that this Court will imperil the Exchange Transaction by holding a status conference this Friday.

For all of these reasons, I ask that the Court not sign the Proposed Order submitted by counsel to the Rehabilitator and maintain the November 17 Status Conference on the calendar. My co-counsel and I look forward to discussing these matters with the Court and counsel at 11:00 a.m. on November 17.

Very truly yours,

PETERSON, JOHNSON & MURRAY, S.C.

Electronically signed by Michael P. Crooks

Michael P. Crooks

MPC:bkd

cc: All Counsel of Record (via Electronic filing)