

February 7, 2018 injunction order, as well as a stay pending appeal of the enforcement and effect of the January 22, 2018 Confirmation Order to the extent it enjoins the MHPI Projects through the injunctive relief set forth in Article 6.8 or the declaratory relief set forth in Article 6.13 of the Second Amended Plan of Rehabilitation (“Plan”) from arguing full faith and credit in other state courts or responding to Ambac’s motion to reconsider the Amended Opinion and Order signed by the Circuit Court for Anne Arundel County, Maryland on January 18, 2018.

2. As stated in the MHPI Projects’ Brief in Support of the Motion for Stay Pending Appeal (the “Brief”), specifically in Section III, the MHPI Projects will suffer irreparable harm if the Motion is not reconsidered at the earliest possible time. The MHPI Projects’ First Amendment rights and the constitutional imperative of the Full Faith and Credit Clause are directly implicated by this Court’s orders. Being unable to argue against reconsideration of the Maryland Order and to defend against Ambac’s claims by making any argument as to collateral estoppel and full faith and credit, injures the MHPI Projects irreparably. The MHPI Projects must be allowed to exercise their constitutionally protected rights to argue in other state courts that the Maryland court’s order is entitled to full faith and credit.

3. There are numerous upcoming deadlines in the other out-of-state cases that are directly impacted by the Court’s orders. For example, in the Meade Project litigation in the Circuit Court for Anne Arundel County, Maryland, Case No. C-02-CV-15-003745, the Meade Project’s response to Ambac’s motion for reconsideration is due on **March 14, 2018**. Absent a stay, the Meade Project will be unable to respond substantively to Ambac’s motion for reconsideration. This effectively requires the Meade Project to forfeit an argument it won on summary judgment and waive its constitutional arguments under full faith and credit.

4. In the Bliss Project litigation, the parties have fully briefed their respective cross motions for summary judgment. The Bliss Project secured, over Ambac's objection, a temporary abatement of the hearing on the parties' summary judgment motions, which are now scheduled to be heard on April 27, 2017. While this hearing has been temporarily rescheduled, it will not be delayed long enough for a decision on a full appeal in Wisconsin. Thus, without a stay, the Bliss Project cannot argue full faith and credit in opposition to Ambac's motion for summary judgment, which will effectively force it to concede.

5. In the Riley Project litigation, summary judgment motions have been filed by both the Riley Project and Ambac. Ambac also filed a supplemental brief in the Kansas court, arguing that the Confirmation Order is entitled to full faith and credit and that it "supersedes" the decision of the Maryland court. Under the Court's orders, the Riley Project is unable to substantively respond to Ambac's supplemental brief. While no hearing is presently scheduled on the parties' cross motions for summary judgment, a decision, based upon Ambac's representations in their supplemental brief could be entered, resolving that case in favor of Ambac. And, without a stay, the Riley Project would be unable to even appeal such a decision to the Kansas Court of Appeals.

6. In the Leavenworth Project litigation, under the schedule, the Leavenworth Project has its summary judgment brief due April 10, 2018. While this date may be extended, it would still fall well before any resolution on the merits of this case by the Court of Appeals. This will result in waiver and effectively a forced concession by Ambac in an out of state court.

7. For these reasons, the MHPI Projects respectfully request that its Motion for Reconsideration be heard on the earliest possible hearing date.

Dated this 6th day of March, 2018.

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