STATE OF WISCONSIN : CIRCUIT COURT : DANE COUNTY

In the Matter of the Rehabilitation of the:

SEGREGATED ACCOUNT OF
AMBAC ASSURANCE CORPORATION

Case No.: 10-CV-1576
Hon. Richard G. Niess

THE REHABILITATOR'S CONSOLIDATED BRIEF IN OPPOSITION TO THE MHPI PROJECTS' MOTION FOR RECONSIDERATION; AND IN SUPPORT OF THE REHABILITATOR'S MOTION FOR A FINAL DECREE AND DISCHARGE ORDER CLOSING THIS CASE

INTRODUCTION

The Wisconsin Statutes mandate judicial enforcement of the Rehabilitation Plan in this case, absent an abuse of discretion by the Rehabilitator. The case of *Nickel v. Wells Fargo Bank, et al.*, 2013 WI App. 129, 351 Wis. 2d 539, 841 NW2d 482 explained clearly that judicial enforcement extends to the General Account: "the circuit court properly issued an injunction that is 'necessary and proper' to prevent the institution of proceedings that may interfere with the insurance rehabilitation and waste or lessen the value of Ambac's assets, to the detriment of policyholders, creditors, and shareholders alike."[1] *Id*. at ¶ 103. More specifically, *Nickel* made

[1] The *Nickel* court referenced and specifically approved Article 8.01 in the initial Plan that provides:

> Other than as expressly provided for in this Plan, all Holders of Claims are precluded from asserting against the Segregated Account, the ***General Account*** or AAC, ... any Claims, obligations, rights, causes of action or liabilities, based upon any act, omission, transaction, or other activity of any kind or nature, made in connection with, or arising out of, the Segregated Account, AAC or the ***General Account*** with respect to the Segregated Account, the Proceeding, this Plan (and the Confirmation Order related thereto), the consummation of this Plan, or the administration of this Plan or the property to be distributed under this Plan, other than claims of intentional fraud or willful misconduct.

Id. at ¶ 95, n.12.

the point that the Commissioner was afforded discretion to extend immunity, indemnification and a protective injunction to Ambac:

> It is incumbent on the commissioner to protect these entities [AAC, its affiliates, management, and parent corporation] and individuals from the threat of civil liability arising out of actions taken in carrying out the rehabilitation plan. Without extending such protection, it is hard to imagine who or what entity would be willing to expose itself to civil liability when the government calls upon it to assist in the rehabilitation of an insurer.

Id., ¶ 97. If on the other hand judicial enforcement of the Rehabilitation Plan in this case does not extend to the General Account, as MHPI Projects argues and claims the Court of appeals just ruled, then there is no viable segregated account statute; every rehabilitation going forward will necessarily be a ***complete*** rehabilitation of the subject insurer. That argument does not reflect the policy of the Office of the Commissioner of Insurance nor Wisconsin law.

In a decision dated March 13, 2018, the Court of Appeals stayed this Court's injunction issued February 7, 2018. The Rehabilitator is seeking partial reconsideration of that decision from the Court of Appeals. Reconsideration by the appellate court is necessitated by the MHPI Projects' subsequent filing in Maryland state court on March 14 that told that court the Confirmation Order, "has now been sharply criticized and rendered ineffective and unenforceable by the Wisconsin Court of Appeals," which, of course, is not true, and cannot be allowed to go unaddressed. The Plan and Confirmation Order remain in effect.

MHPI Projects continued their sharp litigation tactics on Friday March 15, 2018 by filing a "supplement" to their motion for reconsideration. In that filing, they feign cooperation by telling the Court they requested a joint motion to dismiss the injunction, but neither the Rehabilitator nor Ambac responded. Their request was made with less than three (3) hours' notice. MHPI Projects supplement is just a way to put the Court of Appeals decision before the

Rehabilitation Court and prolong the "in-your-face" litigation that has plagued this case since they first appeared. In response, the Rehabilitator respectfully requests that this Court deny MHPI Projects' Motion for Reconsideration and close this case.[2]

ARGUMENT

I. THIS COURT MAY DENY MHPI PROJECT'S MOTION FOR RECONSIDERATION AS BEYOND THE SCOPE OF A REHABILITATION PROCEEDING, UNNECESSARY AND DUPLICITOUS.

The Rehabilitation Court stated on the record at the hearing on February 15, 2018, the reasons it issued the injunction and why it did so the day it was filed. If anything, there is more reason now to deny the MHPI Projects motion for reconsideration given the continued misrepresentations made in other courts by MHPI Projects. The Rehabilitator respectfully requests that this Court deny the motion for reconsideration as unnecessarily multiplying these proceedings (given the Court's February 15 decision from the bench) and directly contrary to the nature and purpose of rehabilitations as administrative proceedings, not civil litigation.

This insurance rehabilitation proceeding is an administrative action conducted under and subject to Wisconsin insurance law and regulatory standards. It is a creature of statute and regulation, not a traditional civil action; the rules of civil procedure do not apply. *Nickel*, at ¶ 113. The Wisconsin legislature has adopted standards under the Uniform Insurance Liquidation Act and the corollary model of the National Association of Insurance Commissioners that provide for recognition of injunctions issued by courts of "reciprocal states." A "reciprocal state" is defined as "any state other than this state in which in substance and effect ss. 645.42 (1), 645.83 (1) and (3), 645.84 and 645.86 to 645.89 are in force, and in which provisions are in force requiring that the commissioner be the receiver of a delinquent insurer, and in which some

[2] Because the Court of Appeals made a determination on the stay of the injunctions, the stay issue is now moot before this Court.

provision exists for the avoidance of fraudulent conveyances and preferential transfers." *See* Wis. Stat. § 645.03(1)(i).

Maryland is a "reciprocal state" by virtue of Md. Code Ann. Ins. §§ 9-201 & 9-202, meaning Maryland must recognize an injunction issued by a rehabilitation court in Wisconsin. Thus, a statutory mechanism exists to address the issues raised here by the MHPI Projects. These are issues of state insurance law, not federal constitutional issues. The Rehabilitator expects, when the issues are presented fully to the Court of Appeals, the appellate court will acknowledge this statutory framework and hold that it controls.

Aside from the insurance law implications of the injunction, this Court also had good reason to exercise its inherent power to enjoin violations of its orders. Indeed, the record is filled with examples in which MHPI Projects, and the Fort Bliss Project specifically, contradicted the Court's ruling of January 22 and the findings in the Confirmation Order. There has been no new evidence presented and there are no new facts or legal precedent that would warrant reversing this Court's injunction; the Court of Appeals *did not* rule on the merits of the injunction.

Since the Court of Appeals ruled however, the MHPI Projects have ventured to further misrepresent the Court of Appeals ruling on the issue of the February 7, 2018 injunction. They argue the entire Confirmation Order is now ineffective and unenforceable. An injunctive order was and is necessary to ensure compliance with the Confirmation Order. The MHPI Projects' March 14 filing in Maryland thus highlights the importance of and need for the injunction.

II. RECONSIDERATION IS NOT WARRANTED UNDER ORDINARY CIVIL PROCEDURE STANDARDS.

A. This Court Had the Authority to Enter the February 7, 2018 Injunction.

Although the Rules of Civil Procedure do not control, they do provide relevant guidance that demonstrates MHPI Projects' motion should be denied. To prevail on a motion for

reconsideration, a party must either present newly discovered evidence or establish a manifest error of law or fact.[3] *Koepsell's Olde Popcorn Wagons, Inc. v. Koepsell's Festival Popcorn Wagons, Ltd.*, 2004 WI App 129, ¶ 44, 275 Wis. 2d 397, 685 N.W.2d 853. A manifest error of law occurs when the circuit court disregards, misapplies, or fails to recognize controlling precedent. *Id*. Here, the Court validly entered an injunction based on Wisconsin case law, statutory law, and the law of this case specifically as set forth in *Nickel*. Id., ¶¶ 95-103. There are no additional facts or evidence that warrants reconsideration.

This Court had the authority to enjoin the MHPI Projects generally and also pursuant to the requirements under the Wisconsin Statutes, which are granted reciprocity in Maryland. Generally, to obtain injunctive relief, a litigant must show that the injunction is necessary to prevent irreparable injury. *See Pure Milk Prods. Co-op v. National Farmers Org.*, 90 Wis. 2d 781, 803, 280 N.W.2d 691 (1979) ("The purpose of an injunction is to prevent [future] violations"). In addition, he or she must show that no adequate legal remedy is available, *i.e.*, that the injury cannot be compensated by damages. *Id.* at 800 (an irreparable harm is one that cannot be adequately compensated by monetary damages). However, these common law requirements may be modified by statute. *Cty. of Columbia v. Bylewski*, 94 Wis. 2d 153, 163, 288 N.W.2d 129 (1980) (holding that county did not have to prove irreparable injury under Wis. Stat. § 59.97 to enforce compliance with zoning ordinance because statute did not require such a showing).

Here, there is statutory authority for the injunction pursuant to Wis. Stat. § 645.05:

> Any receiver appointed in a proceeding under this chapter may at any time apply for and any court of general jurisdiction in this state may grant, under the relevant

[3] Although the Court of Appeals entered a stay on the injunction, the Court of Appeals specifically did not reach the merits of the issues here. (*See MHPI PROJECTS v. Sean Dilweg*, 2018AP425, at *5-6 (Wis. Ct. App. Mar. 13, 2018) (indicating that they "draw no conclusions as to the ultimate merits of [the] appeal.") The appellate court's decision therefore *does not* indicate this Court committed a manifest error of law or fact.

> sections of ch. 813, such restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary and proper[.]

Wis. Stat. § 645.05. Because of the statutory grant, the typical injunction requirements do not apply. *See, e.g., Cty. of Columbia*, 94 Wis. 2d at 163 ("[W]here a statute . . . authorizes a municipality or public entity to seek an injunction in order to enforce compliance . . ., the municipality is not required to show irreparable injury before obtaining an injunction."); *see also Forest Cty. v. Goode*, 215 Wis. 2d 218, 228-29, 572 N.W.2d 131 (Ct. App. 1997) ("Statutory provisions 'which authorize a governmental agent to sue to enjoin activities deemed harmful by the [legislature] are not designed to do justice to the parties but to prevent harm to the general public.'"). The Court of Appeals has already ruled that OCI was within its discretion, as was *this Court*, to include an injunction in the initial Plan that extended to Ambac, pursuant to this statutory authority. *Nickel*, ¶¶ 95-113 (injunction was necessary and proper to prevent the institution of proceedings that might interfere with the rehabilitation or lessen the value of the insurer's assets); *see also id.* at ¶ 145 ("[T]he circuit court has broad powers to enter an injunction."). That authority, and the holding of *Nickel*, was not changed or overruled by the Court of Appeals in its decision of March 13.

B. Injunctions and Court Orders have Extraterritorial Effect Entitled to Comity in Other Jurisdictions

It is not unusual for a court of general jurisdiction in one state, having jurisdiction of the parties residing therein, to enjoin a party from suing another in the courts of a sister state. *See Cole v. Cunningham*, 133 U.S. 107 (1890) (holding that injunction issued by a state to keep a party before it from prosecuting the same issues in the courts of another state was valid); *see also Steele v. Bulova Watch Co.*, 344 U.S. 280, 289 (1952) ("[T]he District Court in exercising its equity powers may command persons properly before it to cease or perform acts outside its territorial jurisdiction."); *New Jersey v. City of New York*, 283 U.S. 473, 482 (1931) ("The situs

of the acts creating the nuisance, whether within or without the United States, is of no importance. Plaintiff seeks a decree in personam to prevent them in the future."); *see also, e.g., Equitable Life Assurance Soc. v. Gex Estate*, 184 Miss. 577, 604, 186 So. 659, 666 (1939) (holding that "no further action or proceeding can be taken to litigate in the courts of this State the alleged liability of the appellant under the policies of insurance sued on as long as the restraining order issued by the Civil District Court of the Parish of Orleans, Louisiana, remains in force and effect."); *Fisher v. Pac. Mut. Life Ins. Co.*, 112 Miss. 30, 72 So. 846, 848 (1916) (holding that a citizen of a state could be enjoined from prosecuting, against a nonresident corporation doing business in that State, an action in a foreign jurisdiction, although the suit enjoined had been commenced in the other State before the injunction issued); *Allen v. Chicago Grant W. R.R. Co.*, 239 Ill. App. 38, 49 (1925) (stating "in proper cases the courts of each State may recognize the injunctions of the courts of the other").

Wisconsin case law confirms that this Court's order is entitled to extraterritorial effect. *See, e.g., Mercury Records Prods. v. Econ. Consultants, Inc.*, 91 Wis. 2d 482, 500-01, 283 N.W.2d 613 (Ct. App. 1979). In particular, the Wisconsin Court of Appeals held:

> Where a state court has personal jurisdiction over the parties, it may order the parties to do or to refrain from doing a thing although the order may have an extraterritorial effect. The extraterritoriality is a factor which does not affect the jurisdiction of the court but which should be considered in determining whether the court should exercise its discretionary equitable powers.

Id. at 501. Similarly, in *Dalton v. Meister*, the Wisconsin Supreme Court held that a Wisconsin court had personal jurisdiction to issue orders with respect to a resulting trust in Hawaiian land, even if the law of the situs is applicable to the determination of the existence of a fraudulent conveyance of or a resulting trust in the land. 71 Wis. 2d 504, 239 N.W.2d 9 (1976). "Wisconsin courts may issue *in personam* orders which may operate on out-of-state property."

Id. at 513; *see also Midland Funding, LLC v. Mizinski*, 2014 WI App 82, ¶ 16, 355 Wis. 2d 475, 854 N.W.2d 371 (citing *Dalton*). The MHPI Projects subjected themselves to the Rehabilitation Court's jurisdiction by objecting to the Second Amended Plan and are bound by the orders entered by this Court. Seeking to take advantage of the adversary process in the Rehabilitation Court, the MHPI Projects cannot now evade its orders.

The sole case MHPI Projects cite regarding the extraterritorial effect of the injunction does not apply here. (Appellants' Br. p. 37) (citing *Pac. Emp'rs Ins. Co. v. Indus. Accident Comm'n*, 306 U.S. 493, 497 (1939).) *Pacific Employers* concerned "whether the full faith and credit which the Constitution requires to be given to a Massachusetts workmen's compensation statute precludes California from applying its own workmen's compensation act in the case of an injury suffered by a Massachusetts employee of a Massachusetts employer while in California in the course of his employment." *Id.* at 497. The Supreme Court held that "[f]ull faith and credit does not here enable one state to legislate for the other or to project its laws across state lines so as to preclude the other from prescribing for itself the legal consequences of acts within it." *Id.* at 504-05. *Pacific Employers* is both irrelevant and inapplicable to the situation at hand. As discussed above, Wisconsin and Maryland are reciprocal states, therefore the statutes controlling the Rehabilitation do not conflict.

Moreover, the MHPI Projects' argument regarding an antisuit injunction is similarly inapplicable here because the cases they cite are distinguishable. The *Hawthorne* court draws an important distinction that "'one state's judgment cannot be used to control litigation in other courts absent both parties having been before the court in both litigations'." *Hawthorne Sav. F.S.B. v. Reliance Ins. Co.*, 421 F.3d 835, 850 (9th Cir. 2005) (citation omitted). The other cases cited by the MHPI Projects do not apply for similar reasons, such as lack of personal or subject

matter jurisdiction. *See, e.g., Hare v. Starr Commonwealth Corp.,* 291 Mich. App. 206, 217, 813 N.W.2d 752, 759 (2011) ("[T]he constitution does not compel Michigan courts to recognize [sister-state] judgments where the issuing court lacked jurisdiction over the subject matter or the parties.").

Instead, the Rehabilitation Court here did have jurisdiction to enter the Plan, the Confirmation Order and the February 7 injunction.[4] The Rehabilitation Court's orders are entitled to full faith and credit in Maryland, and elsewhere. *Underwriters Nat'l Assurance Co. v. N.C. Life & Accident & Health Ins. Guar. Ass'n*, 455 U.S. 691, 711 (1982) (emphasizing that decisions rendered by an Indiana rehabilitation court were entitled to full faith and credit in North Carolina because "the Rehabilitation Court had personal jurisdiction over all parties necessary to its determination that the North Carolina Association could not satisfy pre-rehabilitation claims out of the North Carolina deposit"); *id*. at 716-17 (White, J., concurring in the judgment) (agreeing with the majority that the rehabilitation court "had jurisdiction over the Association because, as the majority opinion amply demonstrates in Part I, the Association appeared before the court as a party and participated in the Rehabilitation Plan"). Other courts agree that the judgment of a rehabilitation court is entitled to full faith and credit. *Taylor v. Pac. Mut. Life Ins. Co.*, 214 N.C. 770, 100 S.E. 882 (1939); *Larson v. Pac. Mut. Life Ins. Co.*, 373 Ill. 614, 27 N.E.2d 458 (1940), *cert. denied*, 311 U.S. 698 (1940); *Padway v. Pac. Mut. Life Ins. Co.*, 42 F. Supp. 569, 577 (E.D. Wis. 1942) (federal court rejects Wisconsin insured's effort to overturn California Liquidation Court's order approving rehabilitation and reinsurance agreement after concluding that California proceedings were valid and that "full faith and credit must and will be given … to the orders and judgment of" the California court). Regardless of the fact that

[4] Although the MHPI Projects are not technically parties entitled to standing in the Rehabilitation, they came before the Court and objected to the Second Amended Plan and were granted due process with respect to their objections. The Rehabilitator does not concede that the MHPI Projects have standing in the Rehabilitation.

the MHPI Projects are unlikely to succeed on their appeal of the injunctions against them, this Court should deny the request for reconsideration because there are neither new facts nor an error of law concerning this Court's issuance of the injunction.

There is the additional presumption of comity because both Wisconsin and Maryland have adopted the Uniform Insurers Liquidation Act or its corollary issued by the National Association of Insurance Commissioners. *Compare* Md. Code Ann. Ins. §§ 9-201 – 9-232 *with* Wis. Stat. ch. 645. There are thus no concerns regarding conflicting statutes on this issue. Both Wisconsin and Maryland identify the statutory right to issue an injunction in a rehabilitation proceeding to prevent the commencement or prosecution of other actions. *See* Md. Code Ann. Ins. § 9-215(f)(3); *see also* Wis. Stat. § 645.05(1)(k). There is no reason why a Maryland court would not respect the reciprocity and the issuance of an injunction by a Wisconsin court that it also holds to be valid.

III. IT IS NOT A VIOLATION OF FEDERAL LAW FOR A COURT TO COMPEL COMPLIANCE WITH STATE LAW

There is no free speech violation and therefore the allegations of a constitutional violation of the full faith and credit clause have no basis. The MHPI Projects are essentially arguing that they should be allowed to do something they are legally obligated not to do. The MHPI Projects do not have a constitutional right to make further misrepresentations to other courts and circumvent their duty of candor to those courts. For example, false advertising cases show that deceptive, misleading, or untrue statements are not constitutionally protected.

In *Tim Torres Enters., Inc. v. Linscott*, 142 Wis. 2d 56, 66, 416 N.W.2d 670 (Ct. App. 1987), the Court explained that the Federal Trade Commission had the authority pursuant to statute to bring suit to enjoin false advertisement. *Id.* "When a statement is actually false, relief can be granted on the court's own findings without reference to the reaction of the product's

buyers or consumers." *Id. See also FTC v. Nat'l Comm'n on Egg Nutrition*, 517 F.2d 485, 489 (7th Cir. 1975) (stating that there was no first amendment issue because party did not have a constitutional right to disseminate false or misleading advertisements.); *see also Mercury Records Prods. v. Econ. Consultants, Inc.*, 91 Wis. 2d 482, 497, 283 N.W.2d 613 (Ct. App. 1979) ("There can be no doubt that . . . the prohibition of…[an] illegal activity does not run afoul of the defendants' first amendment rights.") Here, there can be no constitutional violation. The MHPI Projects have no constitutional right to violate court orders and disregard Wisconsin state law by making misrepresentations to other courts. The injunction issued by this Court requiring the MHPI Projects to comply with state law therefore does not and cannot violate any constitutional rights.

IV. THE INJUNCTION WAS WITHIN THIS COURT'S INHERENT AUTHORITY TO COMPEL COMPLIANCE WITH ITS ORDERS.

An injunction was and is necessary to protect the integrity and finality of these Proceedings. *See Nickel v. Wells Fargo Bank*, 2013 WI App 129, ¶ 103, 351 Wis. 2d 539, 841 N.W.2d 482. As this Court explained at the January 22 hearing, the Court of Appeals' decision in *Nickel* construed the Court's injunctive authority broadly and provided clear guidance that an injunction is appropriate under the present circumstances. (Jan. 22, 2018 Hr'g Trans. pp. 56-57.) There is thus precedent in these Proceedings for the Court to issue a separate, targeted injunction. That precedent is this Court's "Order Granting the Rehabilitator's Motion To Confirm and Declare The Scope if the Relief Issued Under This Court's Prior Order for Injunctive Relief" that the Court issued in 2012. (*See* Sept. 12, 2012 Order.) In that Order, the Court confirmed, as a result of a prior injunction, that it was enjoining counterparties to RMBS Transactions from interfering with Ambac's contract rights that accompanied policies allocated to the Segregated

Account. That Order and the prior injunction it confirmed were addressed on appeal in *Nickel* and specifically upheld. *See Nickel v. Wells Fargo Bank*, 351 Wis. 2d 539, ¶ 145.

The MHPI Projects' instant filings in this Proceeding (*see* Jan. 25, 2018 MHPI Letter), and its arguments in proceedings before other courts (*see generally* Spaniol Aff. and Exhibits; *see also* Farr Aff. ¶ 8, Ex. F, March 14, 2018 Meade Opposition to Reconsider), demonstrate the need for an injunction to ensure future compliance with the Confirmation Order. The relentless arguments of the MHPI Projects that the existence of the Segregated Account and the manner in which OCI chose to finance it allegedly triggered an Ambac Default and/or Credit Enhancer Default threaten the General Account's claims-paying ability, contrary to Wisconsin law.

Upon entry of the Court of Appeals decision staying the injunctions, the MHPI Projects immediately filed a brief with the Maryland Court grossly misrepresenting the Court of Appeals Decision. (Farr Aff. ¶ 8, Ex. F). Notably, the Court of Appeals failed to afford any deference to OCI or to the Rehabilitation Court in reaching its conclusions. The Court of Appeals also failed to mention any of the facts relevant to this Court's reasoning for entering the injunctions in the first place. The MHPI Projects' brief with the Maryland Court contained multiple misstatements of the Court of Appeals Order. The MHPI Projects stated that the Confirmation Order "has now been sharply criticized and rendered ineffective and unenforceable by the Wisconsin Court of Appeals." (Farr Aff. Ex. F at p. 1.) This is not true. The Confirmation Order remains in effect; the only aspects of the Confirmation Order called into question were Articles 6.13and 6.8 with respect to the MHPI Projects. *MHPI PROJECTS v. Sean Dilweg*, 2018AP425, at *7 (Wis. Ct. App. Mar. 13, 2018). The MHPI Projects further misrepresent that the stay order "explicitly recognized the validity of [the Maryland] summary judgment ruling." (Farr Aff. Ex. F at p. 2.) Of course, this too is false as there is no explicit statement to that effect. The MHPI Projects will

undoubtedly continue to press these misleading arguments even after these Proceedings are closed, unless enjoined.

V. THE CONDITIONS PRECEDENT TO EXIT HAVE BEEN SATISFIED AND THIS CASE MAY BE CLOSED.

The Rehabilitator is filing with this Response a Motion for a Final Decree and Discharge Order. The Rehabilitation has been completed and the conditions precedent to exit have been satisfied. Despite any ongoing appeals that the MHPI Projects may elect to continue, the administration of this Rehabilitation by this Court will, after deciding MHPI's motion for reconsideration, conclude. As such, this proceeding should be closed. The Rehabilitator requests that it do so by issuing the Final Decree and Discharge Order to relieve the Court and the Rehabilitator from their duties in this case.

Because this case has been fully administered and the conditions precedent to the Second Amended Plan have been satisfied, this Rehabilitation should be closed. Wisconsin Statute § 645.35(2) provides:

> The rehabilitator may at any time petition the court for an order terminating rehabilitation of an insurer. If the court finds that rehabilitation has been accomplished and that grounds for rehabilitation under s. 645.31 no longer exist, it shall order that the insurer be restored to possession of its property and the control of its business. The court may also make that finding and issue that order at any time upon its own motion.

Wis. Stat. § 645.35(2). As of the Effective Date: (a) the Rehabilitation has been terminated and the Rehabilitator has declared and posted Notice of the Effective Date; (b) property has been returned to Ambac's possession; (c) Ambac has resumed the control of its business through the Merger of the Segregated Account with the General Account pursuant to the terms of the Second Amended Plan; (d) the Rehabilitator has been discharged, and the Special Deputy Commissioner Daniel J. Schwartzer, appointed pursuant to Wis. Stat. § 645.33(1), from their powers and duties conferred upon them pursuant to Wis. Stat. Ch. 645.; (e) and all other conditions precedent have

been satisfied. All that remains is for rehabilitated Ambac to continue making payments to stakeholders as described in the Plan.

CONCLUSION

For the foregoing reasons, the Rehabilitator respectfully requests that the Court:

(1) DENY the MHPI Projects' motion for reconsideration; and

(2) GRANT the Rehabilitators Order for Final Decree and Discharge.

Dated at Milwaukee, Wisconsin this 19th of March, 2018.

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