
In the Matter of the Rehabilitation of:

SEGREGATED ACCOUNT OF
AMBAC ASSURANCE CORPORATION

Case No. 10 CV 1576

**NOTICE OF MOTION AND MOTION BY U.S. BANK NATIONAL ASSOCIATION,
ACTING SOLELY IN ITS CAPACITY AS TRUSTEE FOR CERTAIN
SECURITIZATION TRUSTS, TO INTERVENE IN THESE PROCEEDINGS AND
PARTIALLY JOIN IN THE EMERGENCY MOTION TO MODIFY ORDER FOR
TEMPORARY INJUNCTIVE RELIEF FILED BY THE INVESTOR GROUP**

TO:

Mr. Sean Dilweg
Commissioner of Insurance, State of Wisconsin
c/o Michael B. Van Sicklen
David G. Walsh
Matthew R. Lynch
Foley & Lardner LLP
150 East Gilman Street
P.O. Box 1497
Madison, Wisconsin 53701-1497

PLEASE TAKE NOTICE that U.S. Bank National Association, (hereinafter the "Trustee"), acting solely in its capacity as trustee for certain residential mortgage-backed securities ("RMBS"), other asset-backed securities, collateralized loan obligation, and/or collateralized debt obligation trusts (the "Trusts"), on behalf of the Trusts and the Trusts' beneficiaries (the "Certificate Holders," as further defined herein), by their attorneys, Paul E. Benson, Paul A. Lucey and Nathan L. Moenck, hereby respectfully:

1. Moves the Court to intervene in these proceedings pursuant to Paragraph 12 of the Court's March 24, 2010 Order for Temporary Injunctive Relief as an interested party, yet reserving all rights to challenge jurisdiction;

2. Partially joins in the Emergency Motion to Modify Order for Temporary Injunctive Relief filed on April 30, 2010 by Aurelius Capital Management, LP, Fir Tree, Inc., King Street Capital, L.P., King Street Capital Master Fund, Ltd., Monarch Alternative Capital L.P., and Stonehill Capital Management LLC (hereinafter, the "Investor Group"), as set forth further herein; and
3. Requests to be heard regarding this relief at the emergency hearing scheduled by this Court for May 25, 2010.

The Certificate Holders are holders of certain certificates issued by the Trusts ("Insured Certificates") that are insured by Ambac Assurance Corporation and/or its affiliates ("Ambac"). As of March 25, 2010, the aggregate outstanding principal balance of the Insured Certificates represented over \$ 8 billion face amount of the policies designated by the Commissioner of Insurance of the State of Wisconsin (the "Commissioner") as being allocated to the Segregated Account (the "Policies").¹ Upon information and belief, the Policies, including those held by the Trusts, represent a substantial portion of projected future claims against the Segregated Account and/or Ambac.

On April 30, 2010, the Investor Group, a group of investors who identified themselves as holders of certain RMBS and/or managers of funds that hold certain RMBS insured by Ambac, filed an emergency motion seeking immediate modification of the Order for Temporary

¹ On or about March 25, 2010, counsel for the Commissioner provided the Trustee with a schedule of transactions allocated to the Segregated Account and subject to these proceedings ("Notice Schedule") for which the Trustee, "according to the books and records of Ambac Assurance Corporation," served as a transaction party. Accordingly, the aggregate outstanding principal balance set forth above encompasses only those transactions listed on the Notice Schedule. Upon information and belief, no additional transactions for which the Trustee served as a transaction party have been transferred to the Segregated Account. To the extent that any additional transactions are allocated to the Segregated Account subsequent to this filing, all objections raised herein with respect to the transactions appearing on the Notice Schedule shall apply with equal force to any later-transferred transactions.

Injunctive Relief to preserve the status quo of the General Account for all policyholders affected by the creation of the Segregated Account and related rehabilitation proceedings by enjoining Ambac from: (i) finalizing a Statement of Intent with certain undisclosed settling counterparties (as defined in the Order for Temporary Injunctive Relief), (ii) commuting any policies, (iii) entering into any other transaction outside the ordinary course of business, or (iv) acting in any other way that may divest assets from the General Account, pending this Court's ruling on their emergency motion, any further motion they file before June 22, 2010, or, in the alternative, the Court's fashioning of final equitable relief regarding a plan of rehabilitation. The Investor Group further requested an emergency hearing regarding this relief, which this Court has scheduled for May 25, 2010.

The Trustee agrees that the immediate emergency relief requested in the Investor Group's motion is necessary to prevent Ambac from taking irreversible steps that could irreparably harm the rights of the Trusts, the Certificate Holders and other similarly-situated entities and/or frustrating this Court's fashioning of fair and equitable relief to all Ambac policyholders. Accordingly, the Trustee, acting solely in its capacity as trustee for the Trusts, on behalf of the Trusts and the Certificate Holders, partially joins in the Investor Group's motion, specifically Request Nos. 1² and 2, as well as Request No. 3, to the extent that it seeks expedited discovery regarding the formation of the Segregated Account, the adequacy of its capitalization – including the sufficiency of the General Account to support the Segregated Account through the secured note and reinsurance agreement – and the impact that the Statement of Intent and the transactions

² The Trustee respectfully asks that the requested Order be entered pending the Court's fashioning of final equitable relief regarding a plan of rehabilitation, or, in the alternative, this Court's ruling on the emergency motion and/or any further motion filed by *the Trustee* before June 22, 2010.

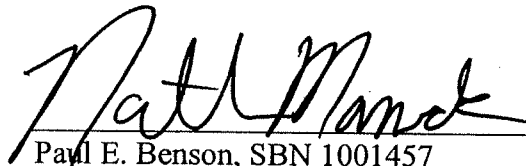
contemplated therein would have on the adequacy of the General Account to fund an equitable rehabilitation of the Segregated Account.

The Trustee further adopts and incorporates those portions of the Investor Group's supporting memorandum related to this relief. The Trustee takes no position at this time regarding the creation or composition of the Segregated Account (discussed in pages 22-28 of the Investor Group's memorandum) and expressly reserves the right, on behalf of itself, the Trusts and the Certificate Holders, to seek additional relief related to the Segregated Account, Order for Temporary Injunctive Relief and/or forthcoming rehabilitation plan. Nothing contained herein should be deemed to prejudice such rights.

Respectfully submitted,

U.S. BANK NATIONAL ASSOCIATION,
solely in its capacity as Trustee

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Dated: May 21, 2010