

July 8, 2010

VIA FACSIMILE

The Honorable William D. Johnston
Lafayette County Circuit Court
626 Main Street
P.O. Box 40
Darlington, Wisconsin 53530-0040

Re: In the Matter of the Rehabilitation of the Segregated Account of Ambac Assurance Corporation, Dane County Case No. 10 CV 1576

Dear Judge Johnston:

I write on behalf of Deutsche Bank National Trust Company, Deutsche Bank Trust Company Americas, and U.S. Bank National Association (collectively, the "Trustees"), each acting solely in its capacity as trustee for certain residential mortgage-backed securities, other asset-backed securities, collateralized loan obligation and/or collateralized debt obligation trusts insured by Ambac Assurance Corporation and/or its affiliates ("Ambac") in connection with the above-referenced case.

Earlier today, counsel for the Wisconsin Office of the Commissioner of Insurance and Sean Dilweg, Commissioner of Insurance for the State of Wisconsin, as Rehabilitator of the Segregated Account of Ambac Assurance Corporation (collectively "OCI") delivered to the Court, among other documents, a Revised Proposed Order Denying Motions of Wells Fargo Bank and Certain LVM Bondholders (the "Revised Proposed Order"), which purport to revise a Proposed Order Denying Motions of Wells Fargo Bank and Certain LVM Bondholders that OCI delivered to the Court on June 20, 2010. OCI purportedly submitted the Revised Proposed Order to address "the concerns of Attorneys Kern, Bensky, and Goodchild that the initial proposed order, if entered, might have had what they felt was an unfairly prejudicial effect on their clients' arguments."

Paragraph 1 of the Revised Proposed Order goes far beyond the disputed issues that are before the Court tomorrow. Merely by way of example, in Paragraph 1, OCI suggests that the Court: find that the Segregated Account was adequately capitalized; conclude that the Segregated Account was formed in compliance with Wisconsin law, *Wis. Stat.* § 611.24(2); and conclude that OCI acted well within its discretion in approving the establishment of the Segregated Account.

OCI already has stated to the Court that tomorrow's hearing will address only two issues: (1) that the establishment of the Segregated Account unlawfully discriminated against policyholders of the same purported class or type of insurance, and (2) that Wells Fargo and the LVM Funds have a right to intervene and take discovery in this proceeding. See OCI's Brief in Opposition to the Emergency Motion to Postpone the July 9, 2010 Hearing at page 1. The Trustees respectfully

request that the Court reject, at a minimum, Paragraph 1 of the Revised Proposed Order.

Respectfully,

A handwritten signature in black ink, appearing to read 'John C. Goodchild, III', written in a cursive style.

John C Goodchild, III, admitted *pro hac vice*

cc: All counsel of record

In the Matter of the Rehabilitation of:

SEGREGATED ACCOUNT OF
AMBAC ASSURANCE CORPORATION

Case No. 10 CV 1576

AFFIDAVIT OF SERVICE

STATE OF WISCONSIN)
) ss.
COUNTY OF DANE)

I, Frances M. Wiley, being first duly sworn on oath, depose and state that on July 8, 2010, I caused a true and correct copy of the following:

July 8, 2010 Letter to Honorable William D. Johnston from John C. Goodchild, III, counsel for Deutsche Bank National Trust Company, Deutsche Bank Trust Company Americas, and U.S. Bank National Association (collectively, the Trustees);

to be served by Fax or Email as noted below, upon the following:

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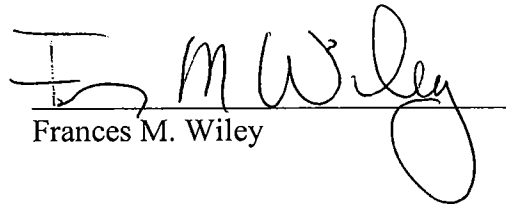
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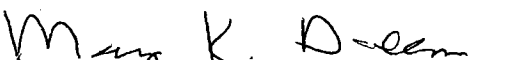
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Dated this 8th day of July, 2010.



Frances M. Wiley

Subscribed and sworn to before me
this 8th day of July, 2010.



Notary Public, Dane County, Wisconsin
My Commission: 5-19-2013

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