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September 8, 2010

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CLIENT/MATTER NUMBER
092281-0101

Jody Baux
Ambac Clerk, Dane County Circuit Court
Dane County Courthouse
215 South Hamilton Street
Madison, Wisconsin 53703

Re: *In the Matter of the Rehabilitation of Segregated Account of
Ambac Assurance Corporation; Dane County Circuit Court
Case Nos. 10 CV 1576-B; 10 CV 1576-G; 10 CV 1576-H and
10 CV 1576-I*

Dear Ms. Baux:

On behalf of the court-appointed Rehabilitator of the Segregated Account of Ambac Assurance Corporation, enclosed for filing is the Rehabilitator's Status Report Regarding the Assessment Process for the Student Loan Policies and the Plan of Rehabilitation.

By copy of this letter, counsel of record are being served with this document by email. Please contact me if you have any questions. Thank you.

Very truly yours,

FOLEY & LARDNER LLP

Michael B. Van Sicklen

Enclosure

cc: Honorable William D. Johnston (with enclosure, via facsimile)
All counsel of record (with enclosure, via email)

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In the Matter of the Rehabilitation of:

Segregated Account of Ambac Assurance Corporation

Case Nos. 10 CV 1576-B
10 CV 1576-G
10 CV 1576-H
10 CV 1576-I

**REHABILITATOR'S STATUS REPORT REGARDING THE ASSESSMENT PROCESS
FOR THE STUDENT LOAN POLICIES AND THE PLAN OF REHABILITATION**

**Wisconsin Office of the Commissioner of Insurance and
Sean Dilweg, Commissioner of Insurance of the State of Wisconsin,
as Rehabilitator of the Segregated Account of Ambac Assurance Corporation**

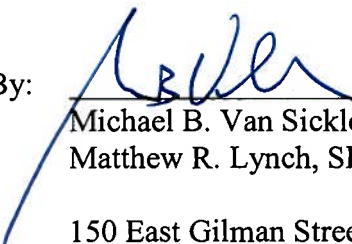
The Commissioner of Insurance of the State of Wisconsin, as Rehabilitator of the Segregated Account of Ambac Assurance Corporation, submits this short status report to update the Court regarding completion of the assessment process pertaining to certain student loan policies and the expected timetable for filing the Plan of Rehabilitation. The Rehabilitator remains on track to timely complete the assessment of those student loan policies identified in Exhibit E to the Plan of Operation by September 20, 2010 as contemplated by Section IV.4.b of the Plan of Operation. Shortly thereafter, the Rehabilitator will make and effectuate allocation decisions regarding those policies in accordance with the assessments, with notice to the Court and interested parties.

The Rehabilitator is simultaneously working toward completion of the Plan of Rehabilitation, which will be accompanied by a detailed Disclosure Statement with information about the Plan and financial matters pertinent to the Segregated Account. The Rehabilitator hopes to be in a position to file the Plan of Rehabilitation and Disclosure Statement with the

Court in late September after the student loan policy assessment process is completed. The Rehabilitator is presently exploring ways in which to utilize a several-week period between the filing of the Plan and Disclosure Statement and the subsequent deadline for filing any objections to confirmation to schedule organized opportunities to meet and confer with policyholders to promote an understanding of the purposes and provisions of the Plan. The details of that expected process are still being formulated.

Dated this 8th day of September, 2010.

FOLEY & LARDNER LLP

By: 

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*Attorneys for Wisconsin Office of the
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Sean Dilweg, Commissioner of Insurance of
the State of Wisconsin, as Court-Appointed
Rehabilitator of the Segregated Account of
Ambac Assurance Corporation*