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October 21, 2010

VIA U.S. MAIL

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CLIENT/MATTER NUMBER
092281-0101

Honorable William D. Johnston
Lafayette County Circuit Court
Lafayette County Courthouse
626 Main Street
Post Office Box 40
Darlington, WI 53530-0040

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

Dear Judge Johnston:

I am writing to correct an error in the Rehabilitator's October 19, 2010 Motion to Approve Global Settlement Agreement With Those Lehman Brothers Entities in Chapter 11 Bankruptcy Proceedings. In paragraph 9 of that motion, we stated that Policy No. SWLP0189BE is allocated to the Segregated Account. That statement is incorrect. Policy No. SWLP0189BE remains in the general account of Ambac Assurance Corporation. Today we are filing a Second Affidavit of David Barranco which corrects that error for the record. I have enclosed a courtesy copy of that affidavit with this letter. The other 25 policies that are affected by the motion were properly described as being allocated to the Segregated Account. The error does not affect the relief sought in the motion or the proposed order submitted with it.

We apologize for this error. Please contact me if you have any questions.

Very truly yours,

FOLEY & LARDNER LLP

Michael B. Van Sicklen

Enclosures

cc: Jody Baux, Ambac Clerk (with enclosures, via hand delivery)
All Counsel of Record (with enclosures, via email)

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In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

SECOND AFFIDAVIT OF DAVID BARRANCO

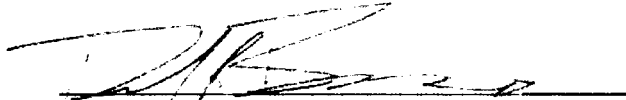
STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

David Barranco, being first duly sworn on oath deposes and states as follows:

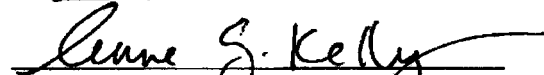
1. On October 19, 2010, I executed an affidavit (“First Affidavit”) in support of a motion by the Rehabilitator of the Segregated Account (“Segregated Account”) of Ambac Assurance Corporation (“Ambac”), requesting that the Court approve a Global Settlement Agreement with various Lehman Brothers-related entities. Upon further review of my First Affidavit, I realized that it contains an error. In paragraph 8 of my First Affidavit, I stated that Ambac financial guaranty insurance policy No. SWLP0189BE is allocated to the Segregated Account. That statement is incorrect. Policy No. SWLP0189BE remains in Ambac’s general account.

2. To my knowledge, my First Affidavit is accurate in all other respects.

Dated this 21st day of October, 2010.


David Barranco

Subscribed and sworn to before me
this 21st day of October, 2010.


Notary Public, State of New York.
My Commission: _____

ANNE G. KELLY
Notary Public, State of New York
No. 02G15044534
Qualified in New York County
Commission Expires October 12, 20 11