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October 21, 2010

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VIA FACSIMILE

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

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

Dear Judge Johnston:

We represent Aurelius Capital Management, LP, Fir Tree, Inc., King Street Capital, L.P., King Street Capital Master Fund, Ltd., Monarch Alternative Capital, LP, and Stonehill Capital Management LLC (collectively, the "RMBS Policyholders").

On July 16, 2010, the RMBS Policyholders filed a Motion for an Information Sharing Order, or in the Alternative for Limited Discovery, and to Intervene to the Extent Necessary (the "Motion"). On July 19, 2010, the Court issued a memorandum stating that it would schedule the Motion for hearing after the release of the Rehabilitation Plan. The Plan was filed on October 8, 2010, and a scheduling conference regarding the Plan confirmation process was held on October 14, 2010. Although no scheduling order has been entered for the Motion and it was not scheduled to be heard at the October 14th conference, counsel for the RMBS Policyholders and the Wisconsin Office of the Commissioner of Insurance ("OCI") both referenced the Motion at the October 14th hearing in the context of their arguments regarding discovery concerning the Rehabilitation Plan confirmation hearings.

While the Court ordered that no discovery was to be permitted, it did not specifically rule on the RMBS Policyholders' Motion at the hearing or in its subsequent formal order. The RMBS Policyholders respectfully request that the Court formally rule on their pending Motion. I have enclosed a proposed order to that effect for the Court's convenience.

Sincerely,

A handwritten signature in cursive script that reads "David M. Greenwald (KH)". The signature is written in dark ink and is positioned above the typed name.

David M. Greenwald

cc: All Counsel of Record, including those on the attached Service List (via email)
Carlo Esqueda, Dane County Clerk (via courier)

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In the Matter of the Rehabilitation of:

Segregated Account of
Ambac Assurance Corporation

Case No. 10 CV 1576

**ORDER GRANTING/DENYING RMBS POLICYHOLDERS'
MOTION FOR AN INFORMATION SHARING ORDER,
OR IN THE ALTERNATIVE FOR LIMITED DISCOVERY,
AND TO INTERVENE TO THE EXTENT NECESSARY**

This matter came before the Court on the motion (the "Motion") of Aurelius Capital Management, LP, Fir Tree, Inc., King Street Capital, L.P., King Street Capital Master Fund, Ltd., Monarch Alternative Capital LP, and Stonehill Capital Management LLC (collectively, the "RMBS Policyholders"), in their capacity as owners of or managers of funds that own residential mortgage-backed securities and other indebtedness insured by Ambac Assurance Corporation, requesting the Court to direct the Wisconsin Office of the Commissioner of Insurance ("OCI") and Ambac Assurance Corporation ("AAC") to share information with policyholders regarding the Rehabilitation Plan, or, in the alternative, to permit the RMBS Policyholders to obtain limited discovery that will permit them to evaluate OCI's Rehabilitation Plan.

Based upon the briefing of the parties, other materials and affidavits on file, oral argument presented, or for other good cause, IT IS HEREBY ORDERED THAT:

The Motion is granted/denied.

Dated: _____

BY THE COURT

Honorable William D. Johnston
Lafayette County Circuit Court Judge
Presiding by Judicial Appointment