

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

CIRCUIT COURT
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DANE COUNTY, WI

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

ORDER FOR TEMPORARY SUPPLEMENTAL INJUNCTIVE RELIEF

Based on the Motion for Temporary Supplemental Injunctive Relief filed by the Commissioner of Insurance for the State of Wisconsin, as Rehabilitator (the "Rehabilitator") of the Segregated Account of Ambac Assurance Corporation (the "Segregated Account"), and the pleadings, motions, briefs and exhibits on file in this case, as well as oral argument, this Court finds that the temporary supplemental injunctive relief requested by the Rehabilitator is reasonable and necessary to promote the equitable and orderly rehabilitation of the Segregated Account, a Wisconsin-domiciled insurer under Wis. Stat. § 611.24(3)(e). The Court further finds that the requested injunctive relief relates to, and is necessary for, the regulation of the business of insurance as part of this proceeding and is authorized by Chapter 645 of the Wisconsin Statutes. The Court further finds that this Court has exclusive jurisdiction over matters relating to this rehabilitation proceeding.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Rehabilitator's Motion for Temporary Supplemental Injunctive Relief is GRANTED, and the following temporary supplemental injunctions are hereby ENTERED:

1. The relief specified in this Order is complementary and supplementary to the relief set forth in the March 24, 2010 Injunction Order entered by this Court in the Segregated Account Proceeding. All provisions of the March 24, 2010

Injunction Order remain in full force and effect as to all policies, contracts, liabilities, and disputed contingent liabilities that have been allocated to the Segregated Account on or before the date of this Order.

2. This Order is made in furtherance of the allocation of disputed contingent liabilities to the Segregated Account, as detailed in Amendment No. 1 to the Plan of Operation filed November 8, 2010 (hereinafter “Allocated Disputed Contingent Liabilities”), as approved in the resolution adopted by the Ambac Assurance Corporation Board of Directors on November 7, 2010.

3. Ambac Financial Group, Inc. (“AFGI”), any successor-in-interest, including any debtor-in-possession, trustee or committee appointed by a bankruptcy court to pursue claims on behalf of or in regard to AFGI, any state court receiver of AFGI, all persons or entities purporting to be creditors of AFGI, the United States Internal Revenue Service, and all other federal and state governmental entities (collectively, the “Enjoined Parties”), are enjoined and restrained from commencing or prosecuting any actions, claims, lawsuits or other formal legal proceedings in regard to the Allocated Disputed Contingent Liabilities in any state, federal or foreign court, administrative body or other tribunal against: (a) the Segregated Account; (b) any subsidiary of Ambac whose stock, limited liability company member interests, or other forms of ownership interests were allocated to the Segregated Account—namely, Ambac Credit Products, LLC, Ambac Conduit Funding, LLC, Juneau Investments, LLC, and Aleutian Investments, LLC (the “Allocated Subsidiaries”); (c) Ambac Assurance Corporation (“Ambac” or the “Ambac General Account”) in respect of the Segregated Account or policies

(including financial guarantee insurance policies and surety bonds), contracts, liabilities, or disputed contingent liabilities allocated to the Segregated Account; (d) any subsidiary of Ambac, including Connie Lee Holdings, Inc.; Everspan Financial Guarantee Corp.; Ambac Private Holdings, LLC; Ambac Assurance UK Limited; Ambac Japan Co., Ltd.; Contingent Capital Company, LLC; SP Note Investor I, LLC; Ambac Capital Services, LLC; SP Aircraft Holdings, LLC; SP Aircraft Owner I, LLC; SP Aircraft Owner II, LLC; SP Aircraft Owner III, LLC; Ambac Capital Corporation; Ambac Capital Funding, Inc.; AE Global Holdings, LLC; AE Global Asset Funding, LLC; AE Global Investments, LLC; Ambac Asset Funding Corporation; Ambac Investments, Inc.; Ambac AII Corp.; AME Holdings, LLC; AME Asset Funding, LLC; AME Asset Funding, LLC; and AME Investments, LLC (collectively, the “Ambac Subsidiaries”), in respect of the Segregated Account or policies (including financial guarantee insurance policies and surety bonds), contracts, liabilities, or disputed contingent liabilities allocated to the Segregated Account; or (e) the Rehabilitator. Wis. Stat. § 645.05(1)(f). This Court has exclusive jurisdiction over any such actions, claims or lawsuits.

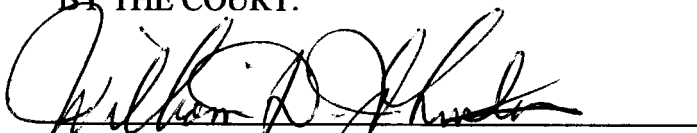
4. The Enjoined Parties are hereby also enjoined and restrained from taking any prejudgment or other steps to transfer, foreclose, sell, assign, garnish, levy, encumber, attach, dispose of, or exercise purported rights in or against any property or assets of the Segregated Account, Ambac, the Allocated Subsidiaries, or the Ambac Subsidiaries in respect of the Allocated Disputed Contingent Liabilities. Wis. Stat. § 645.05(1)(d), (g), (h), (k).

5. This Order shall remain effective until further order of the Court. Counsel for the Rehabilitator shall promptly serve copies of this Order on AFGI, the Department of Treasury – Internal Revenue Service, and any other party-in-interest the Rehabilitator believes is directly affected by this Order, including those who have appeared in these rehabilitation proceedings. If any interested parties believe any portion of this Order is unwarranted by the facts or the law, such parties may seek modification or dissolution of part or all of this Order by filing a written motion with this Court no later than 45 days following the issuance of this Order. If one or more such timely motions are received, the Court may set a schedule for responsive briefing and a hearing regarding the modifications or dissolutions sought. The originals of any such motions shall be filed with the Dane County Circuit Court (with courtesy copies mailed to the undersigned, care of the Clerk of the Lafayette County Circuit Court) and served on counsel for the Rehabilitator.

Dated this 8th day of November, 2010.

*Signed at 8:38 CST
William D. Johnston
Circuit Judge*

BY THE COURT:



William D. Johnston
Lafayette County Circuit Court Judge,
Presiding by Judicial Assignment Order