

COURT OF APPEALS OF WISCONSIN
DISTRICT IV
Appeal No. 2010-AP-2835

In the Matter of the Rehabilitation of:
Segregated Account of Ambac Assurance Corporation:

SEAN DILWEG AND OFFICE OF THE
COMMISSIONER OF INSURANCE,

Plaintiffs-Respondents,

AMBAC ASSURANCE CORPORATION,

Interested Party-Respondent,

v.

WELLS FARGO BANK/TRUSTEE OF BONDHOLDERS,
BANK OF NEW YORK MELLON, DEUTSCHE BANK
NATIONAL TRUST COMPANY, FEDERAL HOME LOAN
MORTGAGE CORPORATION, AURELIUS CAPITAL
MANAGEMENT LP, FIR TREE INC., KING STREET CAPITAL
MASTER FUND, LTD., KING STREET CAPITAL, L.P.,
MONARCH ALTERNATIVE CAPITAL L.P., STONEHILL
CAPITAL MANAGEMENT LLC, EATON VANCE
MANAGEMENT, NUVEEN ASSET MANAGEMENT,
RESTORATION CAPITAL MANAGEMENT LLC AND
STONE LION CAPITAL PARTNERS LP,

Defendants,

DEPFA BANK, PLC,

Proposed-Intervenor-Appellant,

ONE STATE STREET LLC, ACCESS TO LOANS
FOR LEARNING STUDENT LOAN CORPORATION
AND LLOYDS TSB BANK PLC,

Proposed-Intervenors-Co-Appellants.

Dane County Circuit Court Case No. 2010-CV-1576
The Honorable William D. Johnston, Presiding by Judicial Assignment

STIPULATION REGARDING MOTIONS
TO DISMISS ONE STATE STREET LLC's APPEAL IN
CASE NO. 2010-AP-2835

The 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 (collectively "OCI"), Ambac Assurance Corporation ("Ambac") and One State Street LLC ("One State Street"), all by their attorneys, file this stipulation regarding OCI's and Ambac's motions to dismiss One State Street's appeal in Case No. 2010-AP-2835.

RECITALS

WHEREAS, on October 26, 2010, the rehabilitation court entered an order (the "October 26 Order") which, among other things, denied One State Street's request to formally intervene in the underlying insurance rehabilitation proceeding, rejected One State Street's objection to the allocation of the contingent disputed liability pertaining to its real estate lease to the Segregated Account, and did not modify the court's injunction;

WHEREAS, One State Street contends that a decision of this Court dated June 18, 2010, determined that an order substantially similar to the October 26

Order was a final order for appellate purposes, but OCI and Ambac dispute this contention;

WHEREAS, One State Street filed a notice of appeal of the October 26 Order on November 9, 2010 (the "Notice of Appeal") to assert its appellate rights;

WHEREAS, the rehabilitation court held a hearing (the "Confirmation Hearing") on OCI's proposed rehabilitation plan (the "Proposed Plan") on November 15-19, and 30, 2010, and indicated that it would issue a ruling on OCI's motion to confirm the Proposed Plan in the near future;

WHEREAS, during the pendency of the Confirmation Hearing, OCI filed a motion to dismiss One State Street's appeal on November 24, 2010, and Ambac filed a motion to dismiss One State Street's appeal on November 29, 2010, arguing, among other things, that the October 26 Order was a non-final order and, therefore, was not appealable as of right;

WHEREAS, it is likely that One State Street will appeal any ruling from the Confirmation Hearing that is adverse to One State Street's interests; and

WHEREAS, the parties agree that, in the interest of judicial economy and to avoid piecemeal appeals, One State Street's appeal of the October 26 Order can be reviewed with a timely appeal of any ruling from the Confirmation Hearing that is adverse to One State Street's interests.

STIPULATION

NOW, THEREFORE, the parties agree as follows:

1. One State Street hereby dismisses its appeal of the October 26 Order without prejudice to its right to re-file.

2. In the event that the rehabilitation court does not issue a ruling adverse to One State Street's interests on OCI's pending motion to confirm the Proposed Plan prior to January 24, 2011, One State Street may re-file a notice of appeal of the October 26 Order.

3. In the event that the rehabilitation court issues a ruling adverse to One State Street's interests on OCI's pending motion to confirm the Proposed Plan prior to January 24, 2011, OCI and Ambac agree that One State Street may raise the issues identified in its Notice of Appeal in conjunction with a timely notice of appeal by One State Street related to the rehabilitation court's ruling on OCI's motion to confirm the Proposed Plan.

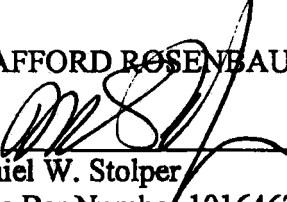
4. Under either of the scenarios described in paragraphs 2 and 3 above, the parties agree that (i) all issues presented in the Notice of Appeal, (ii) all arguments raised in OCI's and Ambac's motions to dismiss, filed on November 24 and 29, respectively, and all arguments to be raised by One State Street in response, (iii) all arguments and counterarguments regarding whether the October 26 Order was or was not incorporated into, made part of, or otherwise superseded by any order confirming the Proposed Plan, (iv) all arguments and counterarguments regarding whether any order confirming the Proposed Plan may

be deemed to moot an appeal of the October 26 Order, and (v) all arguments and counterarguments regarding whether consummation of the Proposed Plan may be deemed to moot an appeal of the October 26 Order, will all be preserved, and no party will assert that the foregoing issues, arguments, and counterarguments have been waived by virtue of the entry of this Stipulation or the dismissal without prejudice of One State Street's appeal of the October 26 Order.

5. This stipulation may be executed by exchange of facsimile or electronically transmitted and executed signature pages, and any signature transmitted by facsimile or in electronic form shall be deemed an original signature for purposes of this stipulation. This stipulation may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same instrument.

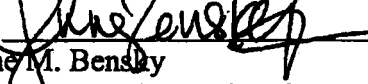
Dated: December 9, 2010.

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Dated: December 9, 2010.

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Dated: December 9, 2010.

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