

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

IN THE MATTER OF THE  
REHABILITATION OF THE SEGREGATED  
ACCOUNT OF AMBAC ASSURANCE

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Case No. 10-cv-778

(Removed From Dane County Circuit  
Court - No.: 10 CV 1576)

**STIPULATION**

This stipulation is entered into by and between the United States of America and the Commissioner of Insurance for the State of Wisconsin, as the court-appointed Rehabilitator for the Segregated Account of Ambac Assurance Corporation, each by their respective undersigned counsel.

1. The Dane County Circuit Court entered an Order for Temporary Supplemental Injunction (“Injunction”) against the United States on November 8, 2010 in Dane County, Wisconsin Case No. 2010CV001576, *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation* (the “Rehabilitation Proceeding”).
2. The Commissioner of Insurance for the State of Wisconsin (“Insurance Commissioner”) served the United States with (1) the Injunction, (2) a Motion filed by the Insurance Commissioner in state court seeking the Injunction, and (3) a Notice.
3. The United States removed the Rehabilitation Proceeding to federal court on December 8, 2010.
4. Pursuant to Rule 81(c) of the Federal Rules of Civil Procedure, the United States’ defenses and objections are due to be filed on Wednesday, December 15, 2010;
5. The Insurance Commissioner intends to file a motion for remand pursuant to 28 U.S.C. § 1447 within the next few days.
6. The United States intends to oppose the Insurance Commissioner’s motion for remand.

7. The parties have agreed to the prompt briefing schedule below to expedite the disposition of the issues, and respectfully request that this Court sign the attached order adopting the briefing schedule.
8. Counsel for the Insurance Commissioner spoke with counsel for Ambac Financial Group, Inc. and Ambac Assurance Corporation, about this stipulation, and they do not oppose the relief sought in the attached order regarding the briefing schedule.

THEREFORE, the parties hereby stipulate and agree as follows:

1. The Insurance Commissioner will file its motion for remand on or before Friday, December 17, 2010.
2. The United States will file its objections and defenses to the Injunction, Motion, and/or Notice, and/or a Motion to Dissolve the Injunction on or before Friday, December 17, 2010.
3. The Insurance Commissioner will file its opposition to the United States' objections, defenses, and/or motion to dissolve on or before December 30, 2010.
4. The United States will file an opposition to the Insurance Commissioner's Motion for Remand on or before December 30, 2010;

5. The parties will file reply briefs as to the respective motions on or before January 7, 2011.

Respectfully submitted:

Dated this 14th day of December,  
2010.

FOLEY & LARDNER LLP

By: /s/ Michael B. Van Sicklen

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Michael B. Van Sicklen, SBN 1017827  
Matthew R. Lynch, SBN 1066370

Attorneys for the Commissioner of  
Insurance, as Rehabilitator of the  
Segregated Account of Ambac  
Assurance Corporation

Dated this 14th day of December 2010

JOHN WILLIAM VAUDREUIL  
United States Attorney

By: /s/ Hilarie Snyder  
Hilarie E. Snyder  
Trial Attorney, Department of Justice  
Tax Division  
*Admitted Pro Hac Vice*

**SCHEDULING ORDER**

Based upon the foregoing stipulation of the Commissioner of Insurance for the State of Wisconsin, as the court-appointed Rehabilitator of the Segregated Account of Ambac Assurance Corporation, and the United States of America, and good cause appearing therefore, it is hereby ordered that:

1. The Insurance Commissioner will file its motion for remand on or before Friday, December 17, 2010.
2. The United States will file its objections and defenses to the Injunction, Motion, and/or Notice, and/or a Motion to Dissolve the Injunction on or before Friday, December 17, 2010.
3. The Insurance Commissioner will file its opposition to the United States' objections, defenses, and/or motion to dissolve on or before December 30, 2010.
4. The United States will file an opposition to the Insurance Commissioner's Motion for Remand on or before December 30, 2010;
5. The parties will file reply briefs as to the respective motions on or before January 7, 2011.

IT SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

BY THE COURT

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Honorable Barbara B. Crabb  
United States District Judge