
In the Matter of the Rehabilitation of:

Segregated Account of
Ambac Assurance Corporation

Case No. 10 CV 1576

**MOTION TO SUPPLEMENT THE RECORD AND [PROPOSED] ORDER
BY CUSTOMER ASSET PROTECTION COMPANY (“CAPCO”)**

The Customer Asset Protection Company (“CAPCO”) submits this motion to the Court, requesting it to supplement the record pursuant to Wis. Stat. § 809.15(1)(a)¹⁰ to include the several public court-filed documents identified below that are not presently included on this Court’s docket, but which will assist the Court of Appeals in adjudicating the issues presented in the most recent consolidated appeals from this rehabilitation proceeding, 2011AP561 (involving the 15 different notices of appeal filed in regard to the Order confirming the Plan of Rehabilitation).

CAPCO moves to supplement the record to include the following court documents, each of which is attached to this motion in the order they appear below:

1. Attorney Franke letter of October 13, 2010 to the Court. (2 pages)
2. CAPCO cover letter of November 10, 2010 and CAPCO Joinder in Objection Filed by One State Street LLC to the Plan of Rehabilitation. (2 pages)¹

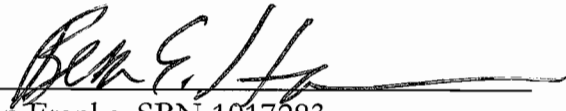
The first document was filed with the Court in Lafayette County; the second item was filed with the Court in Dane County. Both relate to this proceeding and/or the pending appeals, and the inclusion of each would aid completeness of the appeal record and further the disposition of this case before the Court of Appeals. Therefore, CAPCO requests that the Court grant this motion and direct the clerk to include the

¹ The affidavit of service of this Joinder is shown on the Dane County CCAP index as item 235.

attached documents as part of the record to be transmitted to the Court of Appeals in Appeal No. 2011AP561. A proposed form of order is set forth below.

Dated this 31st day of March, 2011.

GASS WEBER MULLINS LLC
Attorneys for Customer Asset Protection
Company



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In the Matter of the Rehabilitation of:

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ORDER

IT IS ORDERED that the record include the following court documents:

1. Attorney Franke letter of October 13, 2010 to the Court. (2 pages)
2. CAPCO cover letter of November 10, 2010 and CAPCO Joinder in Objection Filed by One State Street LLC to the Plan of Rehabilitation. (2 pages)²

These documents are attached to the original of CAPCO's motion on file with the clerk.

Dated this _____ day of _____, 2011.

BY THE COURT:

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

² The affidavit of service of this Joinder is shown on the Dane County CCAP index as item 235.

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SENT BY FACSIMILE

JOHN FRANKE
DIRECT DIAL: 414 224-3450
franke@gasswebermullins.com

October 13, 2010

Honorable William D. Johnston
Lafayette County Courthouse
P.O. Box 40
626 Main Street
Darlington WI 53530

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

Dear Judge Johnston:

I have today filed a notice of appearance on behalf of the Customer Asset Protection Company ("CAPCO"). CAPCO's interests in these rehabilitation proceedings arise from a reinsurance contract between it, Ambac Assurance Corporation and Assured Guaranty Corp., identified in Exhibit F to the Petition filed in this case on March 24, 2010.

On behalf of CAPCO, I have been in discussions with the attorneys representing the Wisconsin Commissioner of Insurance. On October 8, I became aware of the Notice of Filing of the Plan of Rehabilitation submitted by the Commissioner of Insurance with respect to the Segregated Account of Ambac Assurance Corporation and other documents filed along with that Plan. Paragraph 4 of the Notice of Filing indicates that the scheduling of objections to the Plan will be taken up at the hearing tomorrow.

The Notice does not appear to require that objections be filed at this point and CAPCO has not been able to evaluate the effect of the Plan on CAPCO's long-term interests. However, since we have not previously appeared in this matter, I

Honorable William D. Johnston
Lafayette County Courthouse
October 13, 2010
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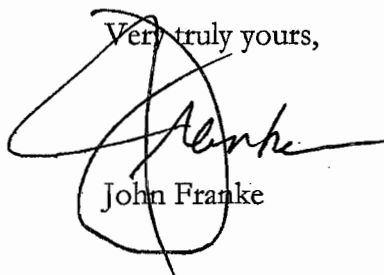
will indicate that CAPCO is considering and wishes to preserve objections to the following aspects of the Plan:

1. The treatment of any potential CAPCO claim under its reinsurance contract with Ambac as a "general claim" rather than a "policy claim," as those terms are defined in the Plan;
2. The placement of the CAPCO contract with Ambac in the Segregated Account; and
3. The creation of the Segregated Account for the purpose of rehabilitating only a portion of Ambac Assurance Corporation.

CAPCO also wishes to preserve other objections that may arise as it examines the Commissioner's Plan and the supporting documents.

I plan to appear at the scheduling conference by telephone.

Very truly yours,



John Franke

JF/js

Enc.

cc Counsel of Record (see attached Service List; w/enc.; by 1st Class Mail)

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SENT BY FACSIMILE

JOHN FRANKE
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franke@gasswebermullins.com

November 10, 2010

Carlo Esqueda, Clerk of Court
Attn: Jody Baux,
Arraignment Clerk & AMBAC Clerk
Dane County Circuit Court
215 South Hamilton Street, Room 1000
Madison, WI 53703

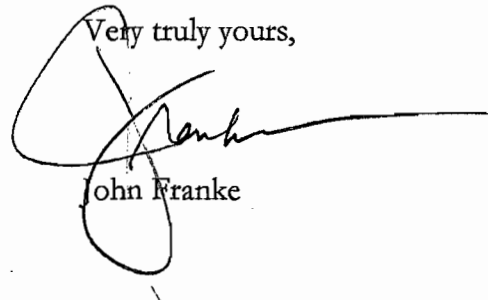
Re: *In the Matter of the Rehabilitation of:*
Segregated Account of Ambac Assurance Corporation
Dane County Case No. 10-CV-1576

Dear Ms. Baux:

I enclose for filing in this matter the Joinder of CAPCO in an Objection filed by One State Street LLC to the Plan of Rehabilitation. By copy of this letter I am serving counsel for the parties with a copy of the same and providing a courtesy copy to Judge Johnston also by Facsimile.

Thank you for your assistance in this matter.

Very truly yours,



John Franke

JF/js

Enc.

cc The Honorable William D. Johnston (by overnight Courier)
Counsel of Record (see attached Service List; w/enc.; by Electronic Mail)

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

In the Matter of the Rehabilitation of:

Segregated Account of
Ambac Assurance Corporation

Case No. 10 CV 1576

**JOINDER OF CAPCO IN AN OBJECTION FILED BY ONE STATE STREET LLC TO
THE PLAN OF REHABILITATION**

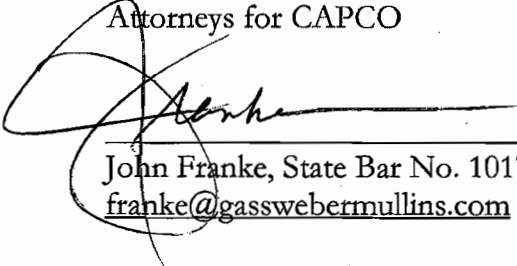
The Customer Asset Protection Company (“CAPCO”), by its attorneys, Gass Weber Mullins LLC, joins in one part of the objection filed by One State Street LLC to the Plan of Rehabilitation on November 8, 2010, specifically, the objection set forth in Part II of that objection, at page 8.

On November 8, 2010, CAPCO filed an objection to the Plan of Rehabilitation, objecting to the Commissioner’s implicit conclusion that a reinsurance contract falls under Wis. Stat. § 645.68(5) and not under subsection (3). As alternative relief, CAPCO joins Part II of One State Street’s objection, which contends that the Rehabilitation Plan fails to properly recognize the distinct priority classification established by subsections (5) through (11), and violates the statutory requirement that each of these subsections be given separate priority in the order of distribution contemplated by the statute.

Respectfully submitted this 10th day of November, 2010.

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GASS WEBER MULLINS LLC
Attorneys for CAPCO



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