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VIA FACSIMILE AND U.S. MAIL

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

Re: *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation, Case No. 10CV1576 (Dane County Circuit Court)*

Dear Judge Johnston:

I am writing on behalf of the Wisconsin Commissioner of Insurance, as Rehabilitator for the Segregated Account of Ambac Assurance Corporation, in response to the letter of Attorney Bentley, counsel for certain holders of Las Vegas Monorail Bonds (the "LVM Movants") that was sent to the Court today. Specifically, I am writing in regard to the LVM Movants' submission of proposed order *denying* their own motion for relief.

The Rehabilitator notes that it is an unusual practice for movants to propose the terms of the order they would presumably attack on appeal. The LVM Movants' proposed order denying their motions includes several changes intended to more easily mischaracterize such a denial on appeal. For example, the LVM Movants' proposed order notes that "[o]n July 8, 2010, the LVM Bondholders filed the affidavit of Noreen Parrett, which annexed certain exhibits" and states that the order is based upon the affidavits on file, giving the impression that the Court considered that affidavit in its decision. In fact, as the LVM Movants are well aware, the Court struck that affidavit as untimely.

The Rehabilitator submits that its previously submitted proposed order is appropriate and accurate in all respects. For the Court's convenience, another copy of that order is attached.

Very truly yours,

FOLEY & LARDNER LLP



Michael B. Van Sicklen

Enclosure

cc: Counsel of Record (with enclosure, via email)
Jody Baux, Dane County Clerk (with enclosure, via first-class mail)

In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

**ORDER DENYING MOTIONS OF WELLS FARGO BANK AND
CERTAIN LVM BONDHOLDERS**

This matter came before the Court on various motions of Wells Fargo Bank, N.A. and certain institutional holders of some Las Vegas Monorail bonds (collectively, "Movants"), challenging the inclusion of the policy or policies insuring the LVM bonds (the "LVM Bond Policy") in the Segregated Account, seeking to modify the injunction in force in this matter as to the LVM Bond Policy, and seeking to conduct discovery and to intervene as parties. Movants join each other's motions in the respects detailed in their respective motion papers. Based upon the briefing of the parties, other materials and affidavits on file, oral argument presented, and for other good cause, IT IS HEREBY ORDERED THAT:

1. The Court reaffirms its May 27, 2010 Decision, Findings of Fact and Conclusions of Law in this matter (particularly Findings 19-31 and 36 and Conclusions 2-5 and 8-9), and further holds as follows.

2. The allocation of the LVM Bond Policy to the Segregated Account was lawful, and did not violate any provision of the Constitutions of either Wisconsin or the United States.

3. Movants have not established legal grounds or good cause for being permitted to intervene or conduct discovery in regard to their motions. This denial of

intervention does not preclude these Movants from asking to be heard in this matter at future proceedings pertaining to the Rehabilitator's plan of rehabilitation.

WHEREFORE, IT IS HEREBY ORDERED that the above-referenced motions are denied.

Dated: _____

BY THE COURT

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