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In the Matter of the Rehabilitation of:

Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

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**NOTICE OF MOTION AND THE ASSURED REINSURERS' MOTION FOR  
EMERGENCY RELIEF AND [PROPOSED] ORDER**

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To: Office of the Commissioner of Insurance  
Commissioner Theodore K. Nickel  
c/o Attorney Michael B. Van Sicklen  
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Ambac Assurance Corporation  
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All Counsel of Record

PLEASE TAKE NOTICE that Assured Guaranty Re Ltd. (“AG Re”) and Assured Guaranty Corp. (“Assured Guaranty” and, together with AG Re, the “Assured Reinsurers”), by their attorneys Quarles & Brady LLP, move the Court for an *emergency order* under Wis. Stat. § 808.07(2) staying the Assured Reinsurers’ deadline for payment of \$200,000 under the Court’s order dated June 14, 2011 until such time as the Court has decided the Assured Reinsurers’ motion, filed herewith, for a partial stay of the June 14

order pending appeal. This motion will be heard at a time and place to be determined by the Court. The grounds for this motion are as follows:

1. On June 14, 2011, this Court entered an Order Granting Rehabilitator's Motion to Enforce Injunction Against Assured Guaranty Corp. and Assured Guaranty Re Ltd. (the "Order"). At numbered paragraph 1 on page 5, the Order directs the Assured Reinsurers to remedy their violations of paragraphs 1 and 7 of the Court's Injunction "within 14 days." That original deadline for compliance was June 28, 2011.

2. The Assured Reinsurers appealed from the Order.

3. Pursuant to the Order, a payment of \$200,000 (relating to the Northstar Settlement) was originally due on June 28, 2011. The Rehabilitator and the Assured Reinsurers agreed to multiple extensions of that deadline as they discussed possible terms of agreed relief pending resolution of the Assured Reinsurers' appeal. By the parties' stipulation, the deadline for payment of the \$200,000 is now 12:00 p.m. CDT on Friday, August 5, 2011.

4. The Rehabilitator and the Assured Reinsurers have reached an impasse in their discussions of agreed relief pending appeal. Consequently, at the same time they file this motion for emergency relief, the Assured Reinsurers are moving the Court for a partial stay of the Order pending the outcome of the Assured Reinsurers' appeal.

5. The Assured Reinsurers believe there is not sufficient time for both parties to fully brief, and for the Court to hear and decide, the Assured Reinsurers' motion for a partial stay before the 12:00 p.m. CDT August 5 deadline for the Assured Reinsurers' payment of the \$200,000.

WHEREFORE, the Assured Reinsurers seek an emergency, temporary order staying the Assured Reinsurers' deadline for payment of the \$200,000 until such time as the Court has decided the Assured Reinsurers' motion for a partial stay of the Order pending appeal. In the alternative, the Assured Reinsurers' ask that its Motion for a Partial Stay be granted by the August 5, 2011 deadline.

A proposed form of order is set forth below.

Dated this 3rd day of August, 2011.

QUARLES & BRADY LLP

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Attorneys for Assured Guaranty Re Ltd. and  
Assured Guaranty Corp.

Note: Assured Guaranty Re Ltd. appears  
without waiving its objection to personal  
jurisdiction.

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**ORDER**

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IT IS ORDERED as follows:

1. The Assured Reinsurers' Motion for Emergency Relief is GRANTED.
2. The Assured Reinsurers' deadline for payment of \$200,000 pursuant to the June 14, 2011 Order Granting Rehabilitator's Motion to Enforce Injunction Against Assured Guaranty Corp. and Assured Guaranty Re Ltd. is stayed until such time as this Court issues a decision on the Assured Reinsurers' motion for a partial stay of that order pending their appeal.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2011.

BY THE COURT:

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