

August 13, 2010

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mvansicklen@foley.com EMAILHonorable William D. Johnston
Lafayette County Circuit Court
Lafayette County Courthouse
626 Main Street
Post Office Box 40
Darlington, Wisconsin 53530-0040Re: *In the Matter of the Rehabilitation of Segregated Account of Ambac Assurance Corporation, Case No. 10 CV 1576 (Dane County Circuit Court)*

Depfa Bank, plc; Case No. 10 CV 1576-B

Dear Judge Johnston:

On June 22, 2010, Depfa Bank, plc filed two separate motions in regard to this Court's March 24, 2010 injunction order (captioned by Depfa and referred to by the parties as the Depfa I and Depfa II motions). I am writing to advise the Court of two scheduling clarifications agreed upon by counsel for Depfa, Ambac and the Rehabilitator regarding scheduling.

First, the parties are close to reaching a consensual resolution of the Depfa II motion (which pertains to whether an interpleader action proceeds here or in New York). We expect to be filing a stipulated settlement agreement as to the Depfa II issue shortly with the Court. In light of the progress being made in that regard, the parties have agreed to adjust the previously established briefing schedule as follows – in the event the settlement is not reached: briefs by the Rehabilitator and Ambac in opposition to the Depfa II motion shall now be due on August 26 (rather than the original August 17 date), and Depfa's reply brief on the Depfa II motion shall be due September 9, 2010.

Second, counsel have agreed that all but two of the issues raised in the Depfa I motion shall be addressed by the parties at the hearing presently scheduled by the Court to consider "common issues" on September 9, 2010. The "equal protection" constitutional issue raised in the Depfa I motion and the argument at § IV-B, pages 13-16 of Depfa's brief about alleged unfair pressure to commute will be addressed by the parties at the hearing presently set by the Court for September 13 for policy-specific issues.



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Thank you for your attention to these matters.

Very truly yours,

FOLEY & LARDNER LLP

A handwritten signature in blue ink, appearing to read 'Michael B. Van Sicklen', written over the typed name.

Michael B. Van Sicklen

cc: Grant C. Killoran (counsel for Depfa Bank, plc) (via email)
Michael Weed (counsel for Depfa Bank, plc) (via email)
Henry Ricardo (counsel for Ambac) (via email)
Jody Baux, Dane County Clerk (via first-class mail)