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STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

2010 SEP -8 AM 9: 22

In the Matter of the Rehabilitation of:

DANE CO. CIRCUIT COURT
Case No. 10 CV 1576

Segregated Account of Ambac Assurance Corporation

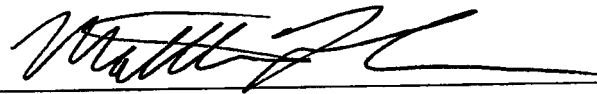
**NOTICE OF SIXTH SUPPLEMENT TO TAB 1, EXHIBIT C
OF THE VERIFIED PETITION
(CORRECTIONS TO SEGREGATED ACCOUNT ALLOCATIONS)**

PLEASE TAKE NOTICE that the Office of the Wisconsin Commissioner of Insurance, as appointed Rehabilitator of the Segregated Account of Ambac Assurance Corporation, hereby submits the attached supplement to Tab 1, Exhibit C of the Verified Petition for Order of Rehabilitation (the list of policies and/or liabilities allocated to the Segregated Account). As detailed in the attached, this supplement is made to correct an oversight and eliminate any residual uncertainty regarding Ambac-insured swap obligations that were terminated in 2008 in conjunction with the New York bankruptcy proceeding of Lehman Brothers Holdings, Inc.

Dated this 8th day of September, 2010.

FOLEY & LARDNER LLP

By:



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Pursuant to footnote 2 of the Verified Petition for Order of Rehabilitation, clerical errors and oversights in compiling the list of policies allocated to the Segregated Account may be corrected with the consent of the Rehabilitator, and filed with the Court. Ambac Assurance Corporation (“AAC”) policy number SF0812BE (the “policy”) insured the obligations of Ambac Credit Products, LLC (“ACP”) (a subsidiary allocated to the Segregated Account) under a credit-default swap with Lehman Brothers Special Financing, Inc. (“LBSF”). On September 18, 2008, following the bankruptcy filing of Lehman Brothers Holdings Inc., and prior to the bankruptcy filing of LBSF, the credit-default swap was validly terminated by ACP. Because the Rehabilitator and AAC believed that the swap was validly terminated, the original March 24, 2010 allocation of policies to the Segregated Account did not include this policy.

The Rehabilitator just learned that bankruptcy counsel for LBSF is now contending that the termination may be avoidable under Section 549 of the Bankruptcy Code. In response to this contention, which is disputed, and without conceding its validity, effective as of March 24, 2010, policy number SF0812BE is allocated to the Segregated Account pursuant to Section IV of the Plan of Operation for the Segregated Account as a policy insuring or relating to a credit default swap with respect to which a forbearance agreement to temporarily forbear from collecting or enforcing claims against AAC or ACP arising from termination or acceleration of the obligations of AAC or ACP based upon commencement of the rehabilitation proceedings of the Segregated Account is not in full force and effect. Such policy shall be added to the list of policies allocated to the Segregated Account appearing in the Verified Petition for Rehabilitation at Tab 1, Exhibit C (as supplemented). Also with the Rehabilitator’s consent, the General Account has allocated to the Segregated Account its disputed liability, if any, arising out of avoidance or other claims in any way relating to the termination of the credit default swap and/or the consequences of such termination.

Exhibit C to the Plan of Operation for the Segregated Account (attached to the Verified Petition for Order of Rehabilitation at Tab 1) is deemed amended hereby.