

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the Matter of the Rehabilitation of

FINANCIAL GUARANTY INSURANCE
COMPANY

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: Index No. 401265/2012
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: Doris Ling-Cohan, J.
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: Motion Sequence No. 4
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**NOTICE OF WITHDRAWAL OF OBJECTIONS OF THE BANK OF NEW YORK
MELLON AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS
TRUSTEE TO THE PROPOSED PLAN OF REHABILITATION**

The Bank of New York Mellon and The Bank of New York Mellon Trust Company, N.A., each in its capacity as indenture trustee (collectively, the “Trustee”) under indentures pursuant to which bonds¹ were issued and are outstanding that are insured by financial guaranty insurance policies issued by Financial Guaranty Insurance Company (“FGIC”) or FGIC Credit Products, LLC (“FGIC CP”), by and through their undersigned attorneys, respectfully represent:

1. On September 27, 2012, the Superintendent of Financial Services of the State of New York, as Rehabilitator of FGIC (in such capacity, the “Rehabilitator”) filed a proposed Plan of Rehabilitation for FGIC (the “Original Proposed Plan”) as well as certain related documents.

2. On November 19, 2012, the Trustee filed an initial objection to the Original Proposed Plan (the “Initial Objection”). Certain other parties, including the other Trustees (as

¹ References to indenture trustee, indenture and bonds should be read to include all similar transactions involving municipal, corporate and asset-backed securities where the role of the Trustee may be titled as a fiscal agent or other designation. The governing instrument may have different designations and the securities may be referred to as notes or by other designations.

defined in the Interim Order (as hereinafter defined)), also filed objections to the Original Proposed Plan.

3. On December 12, 2012, the Rehabilitator filed the First Amended Plan of Rehabilitation for FGIC (the “Amended Proposed Plan”), which contained amendments to the Original Proposed Plan that addressed some of the issues raised by the Trustee, as well as those raised by other objecting parties.

4. On January 22, 2013, the Trustee filed an objection to the Amended Proposed Plan (the “Amended Objection”), which superseded its Initial Objection. Certain other parties, including the other Trustees, also filed objections to the Amended Proposed Plan (the “Trustee Objections”, as defined in the Interim Order).

5. Subsequently, as recited in the Interim Order dated February 19, 2013 (the “Interim Order”²), the Trustees participated in discussions with the Rehabilitator to resolve the Trustee Objections and reached agreements regarding certain proposed amended terms, as reflected in the revisions set forth in a mark-up of Amended Proposed Plan, which was posted on the official website for the Article 74 Rehabilitation Proceeding for FGIC, located at <http://www.fgicrehabilitation.com> (the “Plan Revisions”).

6. The Interim Order reflects: (a) the representation of the Trustees that the Plan Revisions, if incorporated in the plan of rehabilitation approved by the Court, would substantially resolve the issues raised in the Trustee Objections; (b) the representation of the Trustees that they intended to withdraw the Trustee Objections on April 12, 2013, subject to certain conditions, and (c) the Rehabilitator’s representation that, contemporaneous with the withdrawal of the Trustee Objections, the Rehabilitator would file an amended version of

² Capitalized terms used without definition herein have the meaning ascribed to them in the Interim Order.

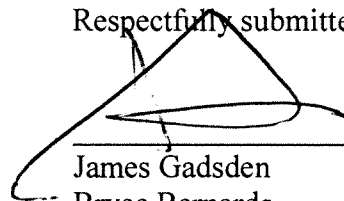
Amended Proposed Plan, incorporating the Plan Revisions, and seek approval of the same at the Plan Approval Hearing scheduled for April 30, 2013.

7. The Rehabilitator's counsel circulated certain further proposed amended terms, as reflected in revisions set forth in the hand-marked changes to certain sections of the Plan Revisions that were attached to an email from the Rehabilitator's counsel to the Trustees' counsel on April 8, 2013, at 8:19 p.m. (the "Further Plan Revisions").

WHEREFORE, in reliance upon the representations in the Interim Order and the further representations of the Rehabilitator's counsel that, contemporaneously with the withdrawal of the Trustee Objections, the Rehabilitator will file the Amended Proposed Plan, incorporating the Plan Revisions and the Further Plan Revisions, and will seek approval of the same at the Plan Approval Hearing, the Trustee hereby withdraws its Amended Objection.³

Dated: New York, New York
April 12, 2013

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James Gadsden', is written over a horizontal line. The signature is stylized with a large, sweeping initial 'J'.

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The Bank of New York Mellon Trust Company,
N.A., as Trustee*

³ The Trustee's withdrawal is without prejudice to the rights of and does not affect the objections of Certain Jefferson County Warrantholders or any other party to the Amended Proposed Plan.