

AT IAS PART 36 OF THE SUPREME COURT
OF THE STATE OF NEW YORK, COUNTY OF
NEW YORK, AT THE COURTHOUSE,
60 CENTRE STREET, IN THE COUNTY, CITY
AND STATE OF NEW YORK, ON THE 11th DAY
OF June, 2013

PRESENT:

HON. DORIS LING-COHAN, J.S.C.

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	:	Index No. 401265/2012
In the Matter of the Rehabilitation of	:	
FINANCIAL GUARANTY INSURANCE	:	Doris Ling-Cohan, J.
COMPANY.	:	
	:	<u>ORDER TO SHOW CAUSE</u>
	:	
	:	Motion Sequence No. 17
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UPON the annexed Affirmation of Gary T. Holtzer of Weil, Gotshal & Manges LLP, attorneys for Benjamin M. Lawsky, Superintendent of Financial Services of the State of New York, as the court-appointed rehabilitator (the “**Rehabilitator**”) of Financial Guaranty Insurance Company (“**FGIC**”), dated May 31, 2013 (the “**Affirmation**”), the exhibits thereto and all the proceedings previously had herein;

LET any holder of Insured JeffCo Warrants¹ (other than the JeffCo Holders), Jefferson County or his, her, its or their counsel, appear and show cause before this Court at IAS Part 36, Room 428, thereof, at the Courthouse located at 60 Centre Street, New York, New York, on the 6th day of August, 2013, at 10:00 a.m., or as soon thereafter as counsel can be heard, why an order should not be made substantially in the form attached to the Affirmation as **Exhibit A** (the “**Proposed Approval Order**”) (i) approving the Stipulation Regarding Treatment under Plan of Rehabilitation for Financial Guaranty Insurance Company among the Rehabilitator of FGIC, FGIC, The Bank of New York Mellon, as successor trustee, The Bank of New York

¹ Capitalized terms not defined herein have the meanings ascribed to them in the Stipulation (as defined herein).

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Mellon, as fiscal agent, and certain Jefferson County Warrantholders, dated May 31, 2013, a copy of which is attached to the Affirmation as **Exhibit B** (the “**Stipulation**”), (ii) amending, to the extent necessary to give effect to the Stipulation, FGIC’s obligations under the JeffCo Warrant Policies, and (iii) granting such other and further relief as this Court may deem just and proper;

AND, sufficient cause having been alleged therefor, service of a copy of this Order to Show Cause and the papers upon which it is granted shall be made by (i) the JeffCo Trustee providing notice to The Depository Trust Company and all other registered holders of Insured JeffCo Warrants (if any), within five (5) business days after issuance of this Order to Show Cause and (ii) the Rehabilitator providing notice to Jefferson County within five (5) business days after issuance of this Order to Show Cause, and providing an Affidavit of Service by the Rehabilitator and Trustee, indicating compliance with this provision on the return date, and such service shall be deemed good and sufficient service;

AND it is hereby ORDERED that:

1. Any person objecting to the relief sought by the Rehabilitator, as set forth in the Affirmation, shall file an objection with this Court, and serve a copy of such objection via email upon gary.holtzer@weil.com and joseph.verdesca@weil.com, attorneys for the Rehabilitator; tmayer@kramerlevin.com and edaniels@kramerlevin.com, attorneys for the JeffCo Holders; and gerald.mace@wallerlaw.com, attorney for The Bank of New York Mellon, so that such objection is received on or before July 16, 2013 at 3:00 p.m. (the “**Objection Deadline**”);

2. The Rehabilitator may file any reply to any objection so received with this Court, and serve a copy of any such reply on the objecting party (or its counsel), on or before July 30, 2013 at 3:00 p.m.;

3. It is further ordered that any objection or submission on this Order to Show Cause (motion sequence 17) shall contain the caption and motion sequence number 17 and shall be placed in an envelope, with a copy of the first page of this Order to Show Cause attached to the front of the envelope;

4. If no objection is received by the Objection Deadline, the relief requested shall be deemed unopposed and the Court may enter the Proposed Approval Order without a hearing;

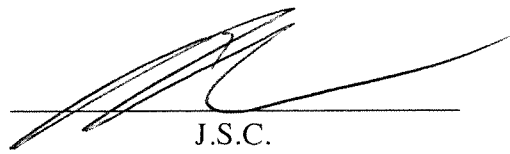
5. Upon entry of this Order to Show Cause, the treatment of the JeffCo Control Rights with respect to all holders of Insured JeffCo Warrants shall be governed by Paragraph 14 of the Order of Rehabilitation, or such other or further order as may be entered by this Court;

6. The relief granted by the preceding Paragraph shall continue until such time as a Final Order is entered (i) substantially in the form of the Proposed Approval Order or (ii) setting forth the appropriate apportionment and treatment of the rights and obligations addressed in Paragraphs 17–18 of the Stipulation (as contemplated by Paragraph 25 of the Stipulation); and

7. Once entered, service of the notice of the Proposed Approval Order shall be made by the Rehabilitator posting such notice, together with a copy of the Proposed Approval Order, at www.fgicrehabilitation.com within five (5) business days after entry of such order, and such service shall be deemed good and sufficient service of notice of entry of such order on all

holders of Insured JeffCo Warrants and any other persons or entities who may have an interest in the Proposed Approval Order.

ENTER:

A handwritten signature in black ink, consisting of several overlapping, fluid strokes, positioned above a horizontal line.

J.S.C.

DORIS LING-COHAN