

EX PARTE MOTION OFFICE

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APPROVED  
FOR THE PAYMENT  
OF MOTION FEE  
ONLY

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 28<sup>th</sup> DAY  
OF Sept, 2012

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

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In the Matter of the Rehabilitation of  
FINANCIAL GUARANTY INSURANCE  
COMPANY.

Index No. 401265/2012

**ORDER TO SHOW CAUSE**

----- X  
UPON the annexed Affirmation (the "**Affirmation**") of Gary T. Holtzer of Weil,

Gotshal & Manges LLP, attorneys for Benjamin M. Lawskey, Superintendent of Financial  
Services of the State of New York, as the court-appointed rehabilitator (the "**Rehabilitator**") of  
Financial Guaranty Insurance Company ("**FGIC**"), dated September 27, 2012, the exhibits  
thereto and all the proceedings previously had herein;

LET any interested Person,<sup>1</sup> 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 18th day of December, 2012, at 2:15 p.m., or as  
soon thereafter as counsel can be heard (the "**Plan Approval Hearing**"), why an order should  
not be made substantially in the form attached to the Affirmation as **Exhibit A** (the "**Proposed**  
**Plan Approval Order**") (i) approving the proposed Plan of Rehabilitation for FGIC, dated  
September 27, 2012, attached to the Affirmation as **Exhibit B**, together with all exhibits and the

<sup>1</sup> Capitalized terms not defined herein have the meanings ascribed to them in the Plan (defined below).

Plan Supplement<sup>2</sup> thereto (collectively and as the same may be revised, the “**Plan**”), including approving the Novation Agreement and the CDS Commutation Agreements and consummation of the transactions contemplated thereby, (ii) terminating the above-captioned rehabilitation proceeding (the “**Rehabilitation Proceeding**”) upon the effective date of the Plan (the “**Effective Date**”) 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 notice of this order to show cause (the “**Scheduling Order**”) and the papers upon which it is granted shall be made by (i) posting true copies of the same, along with the Disclosure Statement for the Plan attached to the Affirmation as **Exhibit D** (the “**Disclosure Statement**”), at [www.fgicrehabilitation.com](http://www.fgicrehabilitation.com) within five (5) Business Days after issuance of the Scheduling Order, (ii) publishing notice substantially in the form of the Notice of Plan Approval Hearing annexed to the Affirmation as **Exhibit E** (the “**Notice**”) in The Wall Street Journal and The Bond Buyer within ten (10) Business Days after issuance of the Scheduling Order and (iii) mailing the Notice to all known Policyholders and other claimants, except for known Policyholders or claimants that have requested not to receive notices related to the Rehabilitation Proceeding, by first class mail within five (5) Business Days after issuance of the Scheduling Order, and such service shall be deemed good and sufficient service;

AND it is hereby ORDERED that the following schedule shall apply to all Persons with respect to the Plan Approval Hearing:

1. The Rehabilitator shall file any memorandum of law or affidavits in support of the Plan on or before October 25, 2012 at 3:00 p.m.;

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<sup>2</sup> The initial Plan Supplement is attached to the Affirmation as **Exhibit C**. The Rehabilitator anticipates supplementing this Plan Supplement in the future in accordance with the schedule set forth herein.

2. The Rehabilitator shall file any additional or revised documents to be included in the Plan Supplement on or before November 9, 2012 at 3:00 p.m.; *provided*, however, that, the Rehabilitator may make non-material changes to any document included in the Plan Supplement at any time prior to the Plan Approval Hearing;

3. Any Person wishing to file a statement in support of the relief sought by the Rehabilitator, as set forth in the Affirmation, shall file such statement with this Court, and serve a copy of such statement upon Weil, Gotshal & Manges LLP, attn.: Gary T. Holtzer and Joseph T. Verdesca, 767 Fifth Avenue, New York, NY 10153, fax: (212) 310-8007, gary.holtzer@weil.com, joseph.verdesca@weil.com, attorneys for the Rehabilitator ("Attorneys for the Rehabilitator"), so that such statement is received on or before November 19, 2012 at 3:00 p.m.;

4. 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 upon Attorneys for the Rehabilitator, so that such objection is received on or before November 19, 2012 at 3:00 p.m. (the "Objection Deadline"); *provided, however*, that if the Court does not approve a commutation, termination, settlement and/or release agreement contained in the Plan Supplement or otherwise submitted to the Court for approval prior to the Plan Approval Hearing, the Objection Deadline shall be extended solely for the counterparty to such agreement until such date as set by the Court or by agreement between the Rehabilitator and such counterparty;

② see P 7


5. The Rehabilitator shall file any reply (including any affidavits in support thereof) 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 December 12, 2012 at 3:00 p.m.; and

\* ③ see P 7.

6. The Rehabilitator shall file any proposed revisions to the Plan with this Court on or before December 12, 2012 at 3:00 p.m. and post such revisions at [www.fgicrehabilitation.com](http://www.fgicrehabilitation.com) within one (1) Business Day after the filing of such revisions with the Court.

7. Any further submissions related to this OSC shall be in an envelope, with a copy of this 4 page order stapled to face of envelope, and marked ATTN:

ENTER:

  
J.S.C.  
JUDGE DORIS LING-COHAN

Monica Cheng, Esq.

Further, any submissions/letters should contain the Motion Sequence #, which is 004.