

Determinations Committee Decision

Date:	May 28, 2010
Determinations Committee:	Americas
Meeting Date:	May 28, 2010

DC Issue 2010032501:	Has a Bankruptcy Credit Event occurred with respect to Ambac Assurance Corporation?	
1st Question for vote:	Do you agree that (a) a revised Supplemental List for the Ambac Assurance Corporation Auction (the "Revised Supplemental List") should be published after 5:00pm New York time on Friday May 28, 2010, (b) notwithstanding anything to the contrary in the DC Rules, an obligation on the Revised Supplemental List may only be challenged if it was not included in the Supplemental List published on Monday May 24, 2010, (c) the deadline for such a challenge will be 5:00pm New York time on Tuesday June 1, 2010, and (d) for all other purposes of the DC Rules, the Revised Supplemental List will be deemed to be the Supplemental List for purposes of the Ambac Assurance Corporation Auction?	
Vote result:	Yes	
Votes:	15 'Yes' votes and 0 'No' votes	
	Bank of America / Merrill Lynch	Yes
	Barclays	Yes
	Citibank	Yes
	Credit Suisse	Yes
	Deutsche Bank AG	Yes
	Elliott Management Corporation	Yes
	Goldman Sachs	Yes
	JPMorgan Chase Bank, N.A.	Yes
	Legal & General Investment Management Limited	Yes
	Morgan Stanley	Yes
	Pacific Investment Management Company LLC	Yes
	Primus Asset Management, Inc.	Yes
	Rabobank International	Yes
	The Royal Bank of Scotland	Yes
	UBS	Yes

2nd Question for vote:	Do you agree to the publication by the DC Secretary on its Website of the statement attached on behalf of the Convened DC for this DC question? (Please see Annex.)
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Vote result:	Yes	
Votes:	15 'Yes' votes and 0 'No' votes	
	Bank of America / Merrill Lynch	Yes
	Barclays	Yes
	Citibank	Yes
	Credit Suisse	Yes
	Deutsche Bank AG	Yes
	Elliott Management Corporation	Yes
	Goldman Sachs	Yes
	JPMorgan Chase Bank, N.A.	Yes
	Legal & General Investment Management Limited	Yes
	Morgan Stanley	Yes
	Pacific Investment Management Company LLC	Yes
	Primus Asset Management, Inc.	Yes
	Rabobank International	Yes
	The Royal Bank of Scotland	Yes
	UBS	Yes

Annex

ISDA Credit Derivatives Determinations Committee for the Americas

Statement regarding DC question number 2010032501, "Has a Bankruptcy Credit Event occurred with respect to Ambac Assurance Corporation?"

The ISDA Credit Derivatives Determinations Committee for the Americas (the "DC") has resolved to publish the following statement regarding DC question number 2010032501, "Has a Bankruptcy Credit Event occurred with respect to Ambac Assurance Corporation?".

Any capitalized term used but not defined in this statement shall have the meaning given to such term in the 2003 ISDA Credit Derivatives Definitions, as amended by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. ("ISDA") on July 14, 2009, or the Credit Derivatives Determinations Committee Rules published by ISDA on December 18, 2009 (the "DC Rules")¹.

On Friday May 21, 2010, ISDA published the Initial List of Deliverable Obligations for the auction to be held for purposes of settling Credit Derivatives Transactions referencing Ambac Assurance Corporation (the "Initial List"), and on Monday May 24, 2010, ISDA published the Supplemental List for that auction (the "Supplemental List"). Ten obligations that did not appear on the Initial List were submitted by Eligible Market Participants for inclusion on the Supplemental List.

One of these obligations was an RMBS obligation that was submitted without a copy of the financial guaranty insurance policy but with all of the other material documents, including the policy endorsement and the relevant underlying transaction documents as well as the offering documents. In connection with this obligation, it was brought to the DC's attention that investors have been unable to obtain a copy of the financial guaranty insurance policy from the trustee for a number of RMBS obligations, including this obligation, despite efforts made to try to obtain the policy. Although the DC will require the policy to be provided where it is available, the DC believes that where the policy is not available it can fairly ascertain the material terms of the policy from the policy endorsement, the description of the policy in the offering documents and review of policies issued by Ambac covering other RMBS obligations. As a result, the DC has decided not to challenge the inclusion of this obligation on the Final List.

Since the DC had previously excluded RMBS obligations from the Initial List where the financial guaranty insurance policy may have been unavailable, the DC has resolved to provide for a short additional period of time for Eligible Market Participants to submit certain RMBS obligations meeting specific conditions (set out below) for inclusion in a revised Supplemental List. This is intended to ensure that market participants are not prevented from having RMBS obligations included on the Final List in situations where the only matter preventing such obligation from being included is the unavailability of the policy and the DC is able to fairly ascertain the material terms of the policy.

Market participants who wish to submit obligations meeting the conditions below must submit such obligations to deliverableobligations@isda.org by 5pm New York time on Friday, May 28, 2010.

¹ The DC Rules are available online at: http://www.isda.org/credit/docs/DC_Rules_December_2009_version.pdf.

Please note that any such obligations will remain subject to any possible challenge, and a party who submits an obligation for inclusion on the revised Supplemental List will be subject to bearing the legal costs of reviewing the relevant documentation if such obligation is successfully challenged, as described further in Section 3.3(e) of the DC Rules.

The conditions for submission are: (a) the obligation proposed is an RMBS obligation that was included in the "Not on prelim" tab in the final version of the Preliminary List of Obligations for the Ambac Assurance Corporation Auction dated May 13, 2010 (the "Preliminary List"); (b) the only document(s) shown in the Preliminary List to be missing for such obligation is the Policy or the Policy and the Insurance and Indemnity Agreement; (c) the Preliminary List does NOT show the offering document as missing for such obligation; (d) the Eligible Market Participant submits evidence showing that attempts have been made to obtain a copy of the Policy for such obligation, and that the Policy for such obligation is not available; and (e) the Eligible Market Participant agrees to pay any of the reasonable costs related to any successful challenge to the inclusions of such obligation that could be incurred under Section 3.3(e) of the DC Rules.