From: Sallie Bernard
To: OCI Company Licensing
Subject: Re: UPDATE - Re: acquisition of Ambac Assurance Corp by Oaktree — for the Honorable Nathan Houdek
Date: Tuesday, March 4, 2025 9:40:40 AM

CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Commissioner Houdek,

I'm terribly sorry for wasting your time with the paragraph below, as I'm sure you know that AFG is unrelated to AMBC. My broker assures me that the initial letter I sent you on 2/27, here below the ridiculous letter, is factually correct. The AAC AMPS would be horribly mistreated by this Oaktree deal if it closes.

Sincerely,

Sallie and Tom Bernard

On 3/3/25 3:59 PM, OCI Company Licensing wrote:

Hi Sallie,

Your public comment on the transaction has been received. At this time, the transaction is under review and a hearing date has not been scheduled. There is a statutory requirement for a minimum 10-day public notice period prior to the hearing. When the notice of hearing is created it will be added to the following website and will be posted in our offices. Additional written comments can be provided any time prior the date of the hearing. If you have any other questions, please let me know.

https://oci.wi.gov/Pages/Companies/AcqAmbac.aspx

Thanks,

Christopher Martin, CPA, PIR | Insurance Financial Examiner – Principal
Wisconsin Office of the Commissioner of Insurance
PO Box 7873, Madison WI 53707 | 101 E Wilson St, Madison WI 53703
christopherj.martin@wisconsin.gov | 608-267-4555 | www.oci.wi.gov

---

From: Sallie Bernard <sallie@salliebernard.com>
Sent: Monday, March 3, 2025 4:15 PM
To: OCI Company Licensing <ocicompanylicensing@wisconsin.gov>
Subject: UPDATE - Re: acquisition of Ambac Assurance Corp by Oaktree — for the Honorable Nathan Houdek

**CAUTION: This email originated from outside the organization.
Do not click links or open attachments unless you recognize the sender and know the content is safe.**

Dear Commissioner Houdek,

On 2/28/25 AFG declared a $170,000,000 special dividend and announced that it had repurchased approximately $50,000,000 of common stock in 2025. This underscores the unfairness of the contemplated transaction with Oaktree. It is clear that AFG's priority is returning money to holding company shareholders, not strengthening their insurance subsidiaries. Why should AMBC receive $420,000,000 for its junior equity in AAC, which will likely be paid out to holding company (AFG) shareholders, while the senior equity in AAC, which has not received a dividend since 2009, receives nothing for decades to come? We reiterate our request that you consider the alternative $115,000,000 payment to retire the senior equity (AMPS) in AAC and $305,000,000 payment to AMBC for its junior equity in AAC.

Sincerely,

Sallie and Tom Bernard

On 2/27/25 10:37 AM, Sallie Bernard wrote:

> Dear Commissioner Houdek,
>
> We are pensioners and the owners of AMBAC Assurance Auction Market Preferred Shares. Insured auction rate preferreds were a retail product back in the day, so there are probably many individuals like us. We understand that our Preferred equity is **senior** to the Common equity owned by AMBAC, and that there is approximately $115,000,000 of Preferred outstanding. We further understand that AMBAC will receive $420,000,000 for their **junior** equity, while our **senior** equity will receive nothing for decades to come.
>
> Our preferred has not received a dividend since 2009,

and we strongly believe that it is grossly unfair for the buyer to pay $420,000,000 to the **junior** equity while the **senior** equity continues to receive nothing. Very, very few people anticipated the mortgage/ financial crisis of 2008. Still, the fact that the **junior** equity made the decisions that blew up their insurance subsidiary, while we were silent victims, further underscores the gross unfairness of the pending transaction.

We suggest that the following would be fair:

The buyer pays $115,000,000 to retire the **senior** equity at par, and $305,000,000 to the **junior** equity. The buyer then owns 100% of the insurance subsidiary unencumbered by a class of angry **senior** equity that is highly likely to litigate, which could delay the closing of the transaction for months or years.

Commissioner Houdek, thank you for soliciting our comments. Please protect our rights as holders of **senior** equity.

Sincerely,

Sallie and Tom Bernard