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# Berkshire Hathaway Assurance Corporation

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By email: [OCICompanyLicensing@wisconsin.gov](mailto:OCICompanyLicensing@wisconsin.gov)

July 23, 2025

Re: The Proposed Acquisition of Control of Ambac Assurance Corporation  
by American Acorn Corporation, American Acorn Holdings LLC,  
Oaktree Opportunities Fund XII Holdings (Delaware), L.P., Oaktree  
Fund GP LLC, Oaktree Fund GP I, LP, Oaktree Capital I GP, LLC,  
Oaktree Capital Holdings, LLC, Oaktree Capital Group Holdings, LP,  
Oaktree Capital Group Holdings GP, LLC, Bruce Karsh, Howard Marks  
and Sheldon Stone

To Whom it May Concern:

In connection with the above-referenced application for change in control, we write to inform all interested parties about the ongoing exposure of Ambac to several bonds it insured, and for which Berkshire Hathaway Assurance Corporation (“BHAC”) provided second-to-pay insurance. In all cases, the bonds were issued more than ten years ago, but Ambac’s liability continues. To the extent that BHAC is called upon to meet any obligations that Ambac fails to meet in respect of these bonds, BHAC will have claims against Ambac for such sums.

As of July 1, 2025, BHAC has outstanding second-to-pay policies for twenty-six bonds, with total par amounts of approximately \$710 million, where Ambac is in the first to-pay-position. To the extent that any aspect of the proposed change in control could result in an impairment of Ambac’s ability to meet its obligations in respect of these bonds, we would object to approval of the transaction.

The twenty-six subject bonds are in two groups. The first group is fifteen bonds with approximately \$419 million of par related to Puerto Rico obligations; and the second group has eleven bonds with approximately \$291 million of par, none of which are not related to Puerto Rico obligations.

All of the Puerto Bonds are so-called “COFINA” bonds, which are zero coupon bonds with maturity dates in either 2047 or 2054. Fourteen of these bonds were part of a transaction that was completed in 2019 among BHAC, Ambac, and the owner of the bonds, which created a series of call dates extending to July 1, 2027, for the bonds. As part of the proposed transaction, Oaktree should confirm that it will continue to make the calls, including the final call in 2027, when they are the owners, and should

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furthermore confirm that appropriate reserves and capital will be held against this exposure until the bonds either mature or are called. With a total par amount for these bonds of more than \$400 million, this set of bonds is BHAC's largest remaining exposure as measured by par outstanding.

The \$291 million in non-Puerto Rico bonds mature by the end of 2032, with roughly two-thirds of the exposure going away by the end of 2027. Although there are no significant credit concerns on this group of bonds as of July 1, 2025, we also want to be sure that the new owners will continue to monitor the portfolio and deal with credit concerns, should any arise.

A full list of the bonds referenced above, with the respective CUSIPS, is attached to this letter.

Sincerely,

Mike Lawler  
Vice President  
Berkshire Hathaway Assurance Corporation

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## Non Puerto Rico Bonds

CUSIP	Outstanding Par	MATURITY
882762FE2	28,350,000	8/15/2026
645918QS5	11,785,000	9/1/2026
646136TL5	57,210,000	12/15/2026
646136TL5	30,000,000	12/15/2026
882762FG7	61,185,000	8/15/2027
397478GK8	4,560,000	9/1/2027
646136TN1	57,820,000	12/15/2028
167736VK0	13,320,000	11/1/2030
60534QW98	225,000	7/1/2031
64983SFU4	13,660,000	7/1/2031
397478GL6	13,550,000	9/1/2032
Total Par	291,665,000	

## Regular COFINA bonds

CUSIP	PAR Outstanding	Maturity Date
19237jad5	4,243,487	8/1/2054

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Restructured COFINA bonds

BHAC CUSIP	Par Amount	Original Call date	Maturity
19237jcu5	12,170,762	7/1/2024	8/1/2054
19237JCV3	30,285,564	1/1/2025	8/1/2054
19237JCW1	30,285,564	7/1/2025	8/1/2054
19237JCX9	30,285,564	1/1/2026	8/1/2054
19237JCY7	30,285,564	7/1/2026	8/1/2054
19237JCZ4	30,285,564	1/1/2027	8/1/2054
19237JDA8	181,713,384	7/1/2027	8/1/2054
19237JCB7	2,434,157	7/1/2024	8/1/2047
19237JCC5	6,057,112	1/1/2025	8/1/2047
19237JCD3	6,057,112	7/1/2025	8/1/2047
19237JCE1	6,057,112	1/1/2026	8/1/2047
19237JCF8	6,057,112	7/1/2026	8/1/2047

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19237JCG6	6,057,112	1/1/2027	8/1/2047
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19237JCH4	36,342,676	7/1/2027	8/1/2047
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Total	414,374,359		
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Total PAR of all AMBAC insured outstanding bonds	710,282,846		
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