

In the Matter of:

**The 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**

Petitioners.

OCI Case No. 25-C46550

**CONDITIONAL JOINT MOTION TO INTERVENE BY
AMBAC ASSURANCE CORPORATION AND
AMBAC FINANCIAL GROUP, INC.**

Pursuant to Wis. Stat. § 227.44(2m), and on a conditional basis for the reasons stated in this Motion, Ambac Financial Group, Inc. (“AFG”) and Ambac Assurance Corp. (“AAC”) (collectively, the “Ambac Intervenors”) submit this Motion to Intervene so that they may participate as parties in the Final Hearing currently scheduled for September 3, 2025 regarding the acquisition of AFG’s subsidiary, AAC, by Petitioners. The grounds for this motion are as follows:

1. AFG is a Delaware corporation with its headquarters in New York, New York. It is the parent company of the target company in these proceedings, AAC.
2. AAC is a Wisconsin domestic insurance company, subject to the jurisdiction of the Office of the Commissioner of Insurance.

3. The Ambac Intervenors bring this motion to intervene on a conditional basis. They only want to intervene in the event that the Hearing Examiner grants any other motion to intervene. Should the Hearing Examiner deny all other motions to intervene, the Ambac Intervenors will withdraw this Motion. As the entity that Petitioners propose to acquire, AAC already has an interest in participating in these proceedings, but seeks intervention to more clearly define its role.

4. Under Wis. Stat. § 227.44(2m), “Any person whose substantial interest may be affected by the decision following the hearing shall, upon the person’s request, be admitted as a party.” OCI treats the right to intervention as an issue of standing. *In the Matter of the Acquisition of Control of Humana Insurance Co.*, OCI Case No. 15-C40896, March 25, 2016 Order Re: Motion to Intervene.

5. For actions such as the present case, Wisconsin follows a two-step standing analysis. The first step is “to ascertain whether the decision of the agency directly causes injury to the interest of the petitioner,” and the second step is “to determine whether the interest asserted is recognized by law.” *Waste Management of Wisconsin, Inc. v. Department of Natural Resources*, 144 Wis. 2d 499, 505.

6. The Ambac Intervenors have standing to participate as parties under both prongs of the standing test.

7. Under the first prong, a decision denying the Petitioners’ proposed acquisition would directly injure AFG and its shareholders. The Ambac Intervenors have awaited the completion of the transaction for more than one year. If the Surplus Noteholders who seek to intervene or others are permitted to intervene, the Ambac Intervenors will need to protect their interests by presenting argument and witness testimony at the Final Hearing relating to the issues that the Surplus Noteholders or other persons claiming an interest raise. If OCI issues a Final

Decision blocking the acquisition, AFG would be substantially harmed because of the impact the decision would have on its business, its management, its affiliate companies, and above all, its shareholders. Similarly, AAC and its policyholders have a substantial interest in the completion of the transaction, given that the denial of the acquisition would substantially harm AAC and its policyholders, who have spent more than one year preparing for changes in ownership and management. This preparation will have been for naught if the sale is not consummated. Both AFG and AAC should be permitted to present evidence of this substantial interest to the Hearing Examiner.

8. Under the second prong, the Hearing Examiner should permit the Ambac Intervenor to participate because they have an interest recognized by law.

- a. The Ambac Intervenor has standing under Wis. Stat. § 611.72(3)(am)4., under which OCI must consider “the plans or proposals” of the Petitioners for AAC, and whether they are “fair and reasonable to policyholders . . . or in the public interest.” Here, AAC has a compelling interest in explaining the proposed transaction to its policyholders, and how the proposed transaction would affect AAC and its policyholders.
- b. The Ambac Intervenor has standing under Wis. Stat. § 611.72(3)(am)1. and (3)(am)3., under which OCI must consider the satisfaction of the requirements for a license after the sale’s completion, the impact of the financial condition of the Petitioners, and whether the financial condition is likely to “jeopardize the financial stability of the domestic stock insurance corporation or its parent insurance corporation, or prejudice the interests of its Wisconsin policyholders.” If the Surplus Noteholders or others intervene and present witness testimony and

argument regarding the Petitioners' financial condition and its impact on either of the Ambac Intervenors, then the Ambac Intervenors must present evidence of their own explaining the impact of the transaction on AFG and its shareholders, as well as on AAC, its policyholders, and other stakeholders.

WHEREFORE, Ambac Financial Group, Inc. and Ambac Assurance Corporation respectfully request that the Hearing Examiner **GRANT** their Conditional Joint Motion to Intervene.

Dated this 4th day of August, 2025.

Respectfully submitted,

QUARLES & BRADY LLP

Electronically signed by Emily M. Feinstein

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