

**BEFORE THE OFFICE OF THE COMMISSIONER OF INSURANCE**

**STATE OF WISCONSIN**

IN THE MATTER OF THE ACQUISITION )  
OF CONTROL OF: )  
 )  
Ambac Assurance Corporation, the “Domestic Insurer.” ) OCI Case No. 25-46550  
 )  
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,  
the “Applicants.”

**Testimony of Gregory Share on Behalf of The Applicants**

**A. Introduction.**

**a. Q: Please state your full name, business address and employer for the record.**

A: My name is Gregory Martin Share. My business address is 1301 Avenue of the Americas, 34th Floor, New York, NY 10019. I am employed by Oaktree Capital Management (together with its affiliates, “Oaktree”).

**b. Q: Please identify your relevant titles or positions at Oaktree.**

A: I am a Managing Director in Oaktree’s Global Opportunities group. Upon the consummation of the Proposed Acquisition, I will be Chairman of the Board of Directors of Ambac Assurance Corporation, a Wisconsin-domiciled financial guaranty insurance company (the “Domestic Insurer”).

**c. Q: Please state the purpose of your testimony.**

A: Thank you for agreeing to receive this testimony today. I am authorized to speak on behalf of the Applicants and am here to provide supporting testimony in the matter of the proposed acquisition of the Domestic Insurer by the Applicants. Oaktree will indirectly acquire 100% of the issued and outstanding shares of the Domestic Insurer, and will, thereby, become the

controlling person of the Domestic Insurer. I will refer to the proposed acquisition of control of the Domestic Insurer by the Applicants as the “Proposed Acquisition.” The testimony I am about to give will demonstrate that the Proposed Acquisition of the Domestic Insurer by Oaktree is in accordance with applicable provisions of the Wisconsin Insurance Code, including but not limited to, Wis. Stat. § 611.72, and should be approved by the Commissioner of Insurance of the State of Wisconsin.

**d. Q: Please provide some information about your educational and career background prior to attaining your current position at Oaktree.**

A: I received a Bachelor of Science from the University of Pennsylvania. I have served as Managing Director of Oaktree since January 2021. Prior to joining Oaktree, I served as Manager and Chairman at Ambina Partners, investing primarily in U.S.-based private software and financial services companies. Prior thereto, I was a Partner at Moelis & Company’s Moelis Capital Partners. Before that, I served as a Managing Director in private equity at Fortress Investment Group. I began my career at Lazard Freres & Co. as an analyst in mergers & acquisitions before moving on to Madison Dearborn Partners, first as an associate, and then as a vice president. In sum, I have over 25 years of experience in senior leadership roles across the private equity and investment management sectors, including with respect to insurance solutions.

**B. Background on the Applicants.**

**a. Q: Please describe the Applicants.**

A: Oaktree is a leader among global investment managers specializing in alternative investments, with \$200 billion in assets under management. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. Oaktree has a long track record of creating value in its partner businesses through active engagement with their management teams. Oaktree has significant experience investing in the insurance sector over the last 25 years, most recently through its control equity investment in Acacia Holdings Ltd., a Bermudan collateralized reinsurer targeting the retrocessional market.

The structure of Oaktree is set forth in more detail in the organizational charts attached as Exhibit B-1 to the Form A Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer that was filed with the OCI on June 28, 2024 (the “Form A Application”), and supplemented during the course of the OCI’s review.

**b. Q: Have you been authorized by the Applicants to speak on their behalf at this hearing?**

A: Yes. I have been authorized to speak on behalf of the Applicants at this hearing.

**C. The Proposed Acquisition.**

**a. Q: Please provide a general description of Proposed Acquisition.**

A: The Proposed Acquisition will be effected pursuant to a Stock Purchase Agreement dated as of June 4, 2024, by and between American Acorn Corporation (“Acorn Corporation”) and Ambac Financial Group, Inc. (“AFG”), as amended on July 3, 2025 (the “Purchase Agreement”). AFG currently directly owns all of the issued and outstanding share of the common stock, par value \$2.50 per share, of the Domestic Insurer (the “Shares”). In connection with the Proposed Acquisition, AFG will sell to American Acorn all of such Shares for a purchase price (the “Purchase Price”) in an amount equal to \$420,000,000, subject to adjustment as described in the Purchase Agreement.

Concurrently with the execution of the Purchase Agreement, AFG and American Acorn agreed that, at the closing of the Proposed Acquisition, AFG will issue to American Acorn (or an affiliate of American Acorn) a warrant (the “Warrant”), exercisable, subject to the terms and the conditions set forth in the Warrant, for a number of shares of common stock, par value \$0.01, of AFG (“AFG Common Stock”) representing 9.9% of the fully diluted shares of AFG Common Stock as of March 31, 2024, pro forma for the issuance of the Warrant.

As a result of the Proposed Acquisition, Acorn Corporation will own 100% of the Domestic Insurer, and the Applicants will acquire direct control of the Domestic Insurer.

**b. Q: Will there be any borrowings or acquisition debt involved in the Proposed Acquisition?**

A: No. American Acorn will pay the Purchase Price by drawing down on a capital commitment from Oaktree Opportunities Fund XII Holdings (Delaware), L.P., which is a holding company that is wholly owned by Oaktree managed investment funds.

**c. Q: What are the Applicants’ plans for Domestic Insurer?**

A: The Domestic Insurer is licensed in all U.S. states (except Tennessee), the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, but is currently in run-off. The Applicants do not intend to make any changes to the Domestic Insurer’s insurance licenses in connection with the Proposed Acquisition, and they do not currently anticipate the Domestic Insurer underwriting new policies. The Applicants expect to continue to run off the Domestic Insurer’s in force business in a manner consistent with its historical practices and to continue to de-risk the portfolio in line with the Domestic Insurer’s recent experience. Further, the Applicants intend to optimize the operations and investment portfolio in order to maximize value for all stakeholders, including policyholders.

The Applicants intend to operate in accordance with (i) the Stipulation and Order between the OCI and the Domestic Insurer and (ii) the Capital Model attached to such Stipulation and Order.

Immediately following closing, the Domestic Insurer will retain claims adjusting, payment,

and reserving consistent with industry best practices, with limited transitional information technology and operational support services for the business of the Domestic Insurer by AFG for an interim period under the terms of new transition services agreement between the Domestic Insurer and AFG. After transition, the Domestic Insurer will retain claims adjusting, payment, and reserving consistent with industry best practices.

Additionally, the Applicants intend to leverage Oaktree's investment management capabilities to support and enhance the Domestic Insurer's investment management function. The OCI has approved a new Investment Management Agreement submitted by the Applicants on Form D, contingent upon approval of the Proposed Acquisition. The objective of the Domestic Insurer's investment strategy will be to generate an attractive risk-adjusted return while maintaining a focus on preservation of capital, predictability of cash flows, and matching durations of assets and liabilities appropriately. The Investment Guidelines have been approved by the OCI, and the Domestic Insurer's investment strategy will remain in full compliance with Wisconsin laws and regulations.

Upon the closing of the Proposed Acquisition, the Domestic Insurer's current directors will resign and be replaced with Messrs. Melvin Carlisle, Patrick C. George, Jordan Mikes, Yadin Rozov, and me. The addition of these new directors significantly enhances the Domestic Insurer's board of directors with seasoned and experienced personnel. Mr. Rozov will also be appointed as Chief Executive Officer, and Mr. Michael Minnich will be appointed as Chief Investment Officer. Messrs. David Barranco, Robert Eisman, and David Abramowitz will remain with the Domestic Insurer as President and Chief Risk Officer; Chief Financial Officer, Treasurer and Controller; and Secretary and General Counsel, respectively.

**D. Form A Application.**

**a. Q: When did the Applicants file the Form A Application with the OCI?**

A: The Applicants filed the Form A Application with the OCI on June 28, 2024.

**b. Q: When did the Applicants receive notice of the public hearing?**

A: The Applicants received notice of the public hearing on Thursday, July 17, 2025.

**c. Q: In addition to the approval of the Form A Application, are the Applicants required to obtain any other regulatory approvals in connection with the Proposed Acquisition?**

A: Yes. The Prudential Regulation Authority (PRA) in the United Kingdom approved the change in control of Ambac Assurance UK on October 24, 2024.

**d. Q: Are there any other conditions to the closing of the Proposed Acquisition?**

A: Yes. The Purchase Agreement provides that the consummation of the Proposed Acquisition is subject to the satisfaction or waiver of customary closing conditions, including shareholder approval. At a special meeting of shareholders held on October 16, 2024, AFG's shareholders approved the Purchase Agreement.

**E. Statutory Criteria**

**a. Q: Wisconsin law sets forth five criteria for the Commissioner of Insurance of the State of Wisconsin to consider in reviewing the Proposed Acquisition. The first criterion is that following the closing of the Proposed Acquisition, the Domestic Insurer will be able to satisfy the requirements for the issuance of a license to write the lines of insurance for which it is presently licensed. Will the Domestic Insurer be able to do so?**

A: Yes. The Domestic Insurer will be able to satisfy the requirements for the issuance of a license. There is nothing in the Proposed Acquisition that the Applicants expect will affect the Domestic Insurer's ability to satisfy the requirements for maintaining its license. Specifically, as demonstrated by the Plan of Operations and financial projections submitted with the Form A Application, there is nothing about the Proposed Acquisition that the Applicants expect will affect the Domestic Insurer's ability to continue to satisfy the minimum capital and surplus requirements needed to maintain its license under Wisconsin law following the closing.

**b. Q: The second criterion is that the effect of the Proposed Acquisition would not be to create a monopoly or substantially to lessen competition in insurance in Wisconsin. Do the Applicants believe that the effect of the Proposed Acquisition would be to create a monopoly or substantially to lessen competition in insurance in Wisconsin?**

A: No. There is no reason to believe that the Proposed Acquisition will substantially lessen competition or tend to create a monopoly in Wisconsin. First, Oaktree does not currently own or control any insurance companies in the State of Wisconsin. Second, the Domestic Insurer is in, and will remain in, run-off. The Applicants' proposed acquisition of the Domestic Insurer will not substantially lessen competition in any line of insurance in the State of Wisconsin.

**c. Q: The third criterion is that the financial condition of the Applicants is not likely to jeopardize the financial stability of the Domestic Insurer or its parent insurance holding corporation, or prejudice the interests of its Wisconsin policyholders. Would you please explain why the financial condition of the Applicants will not have such an adverse effect?**

A: Oaktree pursued the transaction to strengthen the Domestic Insurer's position and to optimize the operations and investment portfolio in order to maximize value for all

stakeholders, including policyholders. The Domestic Insurer's policyholders will benefit from Oaktree's financial strength, asset management capabilities, experienced management team, operational efficiencies, and market strategy.

Further, Oaktree is in a strong capital position; the details of Oaktree's capital position are detailed in the financial statements, submitted with the Form A.

The financial condition of the Applicants is strong and will not jeopardize the financial stability of the Domestic Insurer or prejudice the interests of its policyholders.

**d. Q: The fourth criterion is that the plans or proposals which the Applicant has to liquidate the Domestic Insurer or its parent insurance holding corporation, sell its assets, merge it with any person or make any other material change in its business or corporate structure or management, are fair and reasonable to policyholders of the Domestic Insurer or in the public interest. Do the Applicants have any such plans or proposals that are unfair and unreasonable to the Domestic Insurer's policyholders and not in the public interest?**

A: No. As previously described, the Applicants do not have any current plans or proposals to liquidate the Domestic Insurer, sell its assets (other than asset sales in the ordinary course of business), consolidate or merge it with any person or persons, or make any other material change in its business or corporate structure except as stated above with respect to the change in directors and officers which will benefit the Domestic Insurer by bringing in seasoned and highly experienced insurance personnel.

Importantly, Oaktree has no immediate plans to make changes to the Domestic Insurer's claims procedures, staff, or any other aspect of its operations. As a result, the Applicants do not believe the Proposed Acquisition would be unfair or unreasonable to the policyholders of the Domestic Insurer and not in the public interest.

**e. Q: Finally, the fifth criterion is that the competence and integrity of the Applicants who would control the operation of the Domestic Insurer are such that it would be in the interest of the policyholders of the Domestic Insurer and of the public to permit the acquisition of control. Do the Applicants believe that the competence, experience and integrity of those persons who would control the operation of the Domestic Insurer are such that it would be in the interest of policyholders of the Domestic Insurer and of the public to permit the Proposed Acquisition?**

A: Yes. The individuals who will be the directors and executive officers of the Domestic Insurer at the time of the closing are persons of high integrity and extensive experience in the business and insurance sectors. The Applicants have provided the OCI with biographical affidavits of such persons. The biographical affidavits do not suggest that any of such persons lack the competence, experience, or integrity necessary to control the operations of the Domestic Insurer.

The new directors of the Domestic Insurer are equally experienced and are persons of high integrity. As a result, it is the Applicants' view that the competence, experience, and integrity of those individuals as well as the senior executives who will continue to manage the operations of the Domestic Insurer at the time of the closing will be clearly sufficient, and that it would be in the interests of the policyholders of the Domestic Insurer and of the public to approve the Proposed Acquisition.

**F. Conclusion**

**a. Q: Assuming approval by the OCI, when do the Applicants anticipate closing the Proposed Acquisition?**

A: We anticipate closing the Proposed Acquisition on or before September 30, 2025. I would respectfully request the OCI's cooperation in achieving this timing.

**b. Q: Based on the record established and the filing of the Form A Application, is it the view of the Applicants that the Wisconsin Commissioner of Insurance has a sufficient record for issuance of an order?**

A: Yes. The Applicants believe there is a sufficient record to issue an order approving the Proposed Acquisition.

**c. Q: Is there anything else that you would like to add at this time?**

A: Yes. I would like to thank the Hearing Officer for her time, consideration, and review of this matter. I would also like to thank the OCI for its prompt attention to this matter, for its diligence in reviewing the Form A Application, and for scheduling this hearing. I would also respectfully request at this time that the OCI approve the Proposed Acquisition as set forth in the Form A Application and supported by testimony admitted into the record.

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