

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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In the matter of the application of : Index No. 652382/2014
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U.S. BANK NATIONAL ASSOCIATION, THE : Part 60
BANK OF NEW YORK MELLON, THE BANK OF :
NEW YORK MELLON TRUST COMPANY, N.A., : Motion Sequence No. 7
WILMINGTON TRUST, NATIONAL :
ASSOCIATION, LAW DEBENTURE TRUST : Hon. Marcy S. Friedman
COMPANY OF NEW YORK, WELLS FARGO :
BANK, NATIONAL ASSOCIATION, HSBC BANK :
USA, N.A., AND DEUTSCHE BANK NATIONAL : **AFFIRMATION OF**
TRUST COMPANY (as trustees under various Pooling : **MICHAEL C. LEDLEY IN**
and Servicing Agreements and indenture trustees under : **SUPPORT OF MOTION TO**
various Indentures), : **INTERVENE**
:

Petitioners, :
:

for an order, pursuant to CPLR § 7701, seeking judicial :
instruction. :
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I, Michael C. Ledley, hereby affirm under the penalty of perjury that the following is true and correct:

1. I am a member of the Bar of this Court and a partner of Wollmuth Maher & Deutsch LLP, attorneys for proposed intervenors Ambac Assurance Corporation and The Segregated Account of Ambac Assurance Corporation (collectively, "Ambac"). I offer this affirmation in support of Ambac's motion to intervene.

2. I have knowledge of the facts set forth herein on the basis of personal knowledge and the review of documents in the possession of my firm.

3. U.S. Bank National Association ("U.S. Bank"), The Bank of New York Mellon, The Bank of New York Mellon Trust Company, N.A., Wilmington Trust, National Association, Law Debenture Trust Company of New York, Wells Fargo Bank, National Association, HSBC

Bank U.S.A., N.A., and Deutsche Bank National Trust Company (collectively, the “Petitioners”) commenced this proceeding by filing a petition under CPLR 7701 on August 3, 2014.

Petitioners are seeking judicial approval of a proposed settlement that it entered into on behalf of investors in 330 trusts for which they respectively serve as trustee (the “Proposed Settlement”).

4. Ambac provided financial guaranty insurance with respect to eight residential mortgage-backed securities (“RMBS”) trusts that are subject to the Proposed Settlement (the “Ambac Insured Trusts”) and is a third-party beneficiary of certain agreements governing those trusts.¹

5. Ambac is currently engaged in litigation with JPMorgan Chase & Co. and certain of its affiliates (“JPMorgan”). Ambac has asserted claims against JPMorgan for breaches of representations and warranties under the governing trust documents and other misconduct by JPMorgan and JPMorgan-predecessors Bear Stearns and EMC. On October 16, 2014, the First Department affirmed a decision by the trial court to dismiss Ambac’s breach of representation and warranty claims against JPMorgan on the basis of lack of standing. Ambac’s sole contractual remedy against JPMorgan is, at least for now, in the hands of the Trustees. Ambac therefore has a direct interest in the certificates that it insures and the claims the Trustees propose to release in connection with the Proposed Settlement.

6. Under CPLR 401, 1012, and 1013, and Section 18 of this Court’s Order to Show Cause dated August 15, 2014, Ambac should be permitted to intervene in this proceeding because (a) this proceeding involves the disposition or distribution of, or the title or a claim for

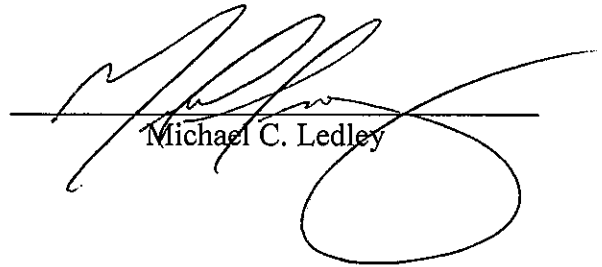
¹ The Ambac Insured Trusts are Bear Stearns Mortgage Funding Trust 2006-AR2 (“BSMF 2006-AR2”), Bear Stearns Mortgage Funding Trust 2006-AR4 (“BSMF 2006-AR4”), GreenPoint Mortgage Funding Trust 2005-AR5 (“GPMF 2005-AR5”), GreenPoint Mortgage Funding Trust 2006-AR2 (“GPMF 2006-AR2”), GreenPoint Mortgage Funding Trust 2006-AR3 (“GPMF 2006-AR3”), Structured Asset Mortgage Investments II Trust 2006-AR7 (“SAMI 2006-AR7”), Structured Asset Mortgage Investments II Trust 2006-AR8 (“SAMI 2006-AR8”), and Bear Stearns Alt-A Trust 2006-R1 (“BALTA 2006-R1”).

damages for injury to, property and Ambac may be affected by the judgment and (b) Ambac's interests may not be adequately represented by Petitioners or any other party to this proceeding.

7. The intervention of Ambac will not prejudice the rights of any of the parties in this proceeding, and, in fact, will assist the Court by adding to its understanding of the facts surrounding the settlement.

8. No previous application has been made for this relief.

Executed this 3rd day of November 2014, in New York, New York.



Michael C. Ledley