

28. All client connections were diligently reviewed by an attorney working under my supervision. From such review, it was determined that, except as may be disclosed below, with respect to each connection between D&L and such parties, D&L does not hold or represent an interest that is adverse to the Debtor’s estate, and that D&L is a “disinterested person” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, for the reasons discussed below.

A. Current Clients

29. In applying the Firm Disclosure Procedures, D&L has determined that D&L has rendered services within the past two (2) years to the Current Clients described below, or their affiliates, in matters unrelated to the Debtor and this chapter 11 case.

Matched Entity	Relationship to Debtor	Relationship to D&L
Alliance Bernstein L.P.	Equity Holder	Current Client
American Express	Vendor	Current Client
American Friends of Soroka	AAC Vendor	Current Client
American Museum of Natural History	AAC-Insured Credit	Current Client
Assured Guaranty Corp	AAC Reinsurer	Current Client
Banc of America Securities LLC	Contract Counterparty	Current Client
Banco Santander, S.A.	Contract Counterparty	Current Client
Bank of America, N.A.	AAC Trustee	Current Client
Bank of America Merrill Lynch	AAC Contract Counterparty	Current Client
Bank of New York	Bank/Lender Contract Counterparty	Current Client
Bank of New York Mellon	Agent Contract Counterparty Major Creditor	Current Client
Barclays Bank PLC	Contract Counterparty	Current Client
Barclays Capital Inc.	Bondholder Contract Counterparty	Current Client
The Blackstone Group, L.P.	Parent of Professional Seeking Retention	Current Client
Bloomberg	Major Creditor Vendor	Current Client
Bridge Associates LLC	Vendor	Current Client
Brooklyn Academy of Music	AAC-Insured Credit	Current Client
Brooklyn Botanic Garden	AAC-Insured Credit	Current Client
Brooklyn Friends School	AAC-Insured Credit	Current Client
Capmark Financial Group, Inc.	AAC Creditor	Current Client
Catholic Charities	AAC-Insured Credit	Current Client
Centerbridge Partners L.P.	Bondholder	Current Client

Matched Entity	Relationship to Debtor	Relationship to D&L
Citibank, N.A.	Bank/Lender Contract Counterparty	Current Client
Citigroup Global Markets Inc.	Contract Counterparty Bondholder	Current Client
Commerzbank AG	Equity Holder Contract Counterparty	Current Client
Consolidated Edison of New York	Underwriter of AAC Policies	Current Client
Credit Suisse Securities LLC	Contract Counterparty Bondholder Equity Holder	Current Client
Customer Asset Protection Company	AAC Contract Counterparty	Current Client
Deutsche Bank AG	Contract Counterparty	Current Client
Deutsche Bank AG London	Bondholder	Current Client
Deutsche Bank AG New York	Contract Counterparty	Current Client
Ernst & Young	Vendor	Current Client
Financial Guaranty Insurance Company	AAC Reinsurer	Current Client
GE Capital	Vendor	Current Client
Goldman Sachs & Company, Inc.	Contract Counterparty	Current Client
Grant Thornton LLP	Vendor	Current Client
Hewlett Packard Company	Vendor	Current Client
HSBC Securities (USA), Inc.	Contract Counterparty	Current client
Jazz at Lincoln Center	AAC-Insured Credit	Current Client
Jefferies & Company, Inc.	Bondholder	Current Client
JP Morgan Securities, Inc.	Contract Counterparty	Current Client
Keefe, Bruyette & Woods, Inc.	Contract Counterparty	Current Client
KPMG	Vendor	Current Client
Lazard Frères & Co., LLC	Major Creditor Vendor	Current Client
Lehman Brothers Inc.	Contract Counterparty	Current Client
March of Dimes	AAC-Insured Credit	Current Client
Marsh USA Inc.	Major Creditor Vendor	Current Client
McDermott, Will & Emery LLC	AAC Vendor	Current Client
McKinsey & Company, Inc - US	AAC Vendor	Current Client
Metropolitan Life Insurance Company	Equity Holder Vendor	Current Client
Morgan Stanley & Co., Incorporated	Contract Counterparty	Current Client
New York University	AAC-Insured Credit	Current Client
Nixon Peabody LLP	Vendor	Current Client
Pacific Life Insurance Company	AAC Contract Counterparty	Current Client
Paetec Communications Inc	Vendor	Current Client
Pricewaterhousecoopers LLP	Vendor	Current Client
Promark Investment Advisors, Inc.	Equity Holder	Current Client
Proskauer Rose LLP	Professional	Current Client
Quest Software, Inc.	Vendor	Current Client
Radian Asset Assurance Inc.	AAC Reinsurer	Current Client
Raymond James & Associates, Inc.	Contract Counterparty	Current Client

Matched Entity	Relationship to Debtor	Relationship to D&L
RBS Securities Inc.	Contract Counterparty Bondholder	Current Client
Royal Bank of Canada	Bondholder	Current Client
Royal Bank of Scotland	Contract Counterparty	Current Client
Royal Bank of Scotland PLC	Equity Holder	Current Client
SBLI USA Mutual Life Insurance Company, Inc.	Bondholder	Current Client
Sidley Austin LLP	AAC Vendor	Current Client
Societe Generale	Contract Counterparty	Current Client
Squire, Sanders & Dempsey	AAC Vendor	Current Client
State of New Jersey	AAC-Insured Credit	Current Client
Teachers Insurance & Annuity Association College Retirement Equities Fund	Equity Holder	Current Client
The Hartford	Insurer	Current Client
UJA Federation	AAC-Insured Credit	Current Client
United Parcel Service	AAC Vendor	Current Client
Universal-Investment-Gesellschaft	Equity Holder	Current Client
Verisign, Inc.	Vendor	Current Client
Verizon	Vendor	Current Client
Wells Fargo Bank, N.A.	AAC Contract Counterparty	Current Client
Wells Fargo Securities, LLC	Bondholder	Current Client
Wells Fargo Securities, LLC	Bondholders	Current Client
Wells Fargo Securities, LLC	Bondholder	Current Client

30. To the best of my knowledge and information, none of the entities listed as Current Clients represent more than one percent (1%) of D&L's revenues over the past twelve (12) months, other than the following entities, with the applicable percentages indicated: Metropolitan Life Insurance Company (2.4%); Capmark Financial Group Inc. (2.2%); Deutsche Bank AG (NY Branch) (1.2%); Barclays Capital Inc. (1%). Should any of these representations become adverse to the Debtor, the Debtor is seeking to retain the Togut Firm as conflicts counsel to represent the Debtor in any bankruptcy-related litigation related thereto.

31. AAC is a creditor in *In re Capmark Financial Group, Inc.*, a chapter 11 case pending in the United States Bankruptcy Court for the District of Delaware in which D&L represents the debtors (collectively, "Capmark"). Capmark has retained conflicts counsel and, to the extent that a conflict arises between the Capmark and the Debtor, Capmark's conflicts counsel, and not D&L, will undertake representation of Capmark.

32. Prior to the Commencement Date, Legal & General America, together with its subsidiaries Banner Life Insurance Company, William Penn Life Insurance Company of New York, and First British American Reinsurance Company (collectively, “L&G”), asked my partner, Scott D. Avitabile, for D&L’s advice with respect to the unwinding of a 2004 triple x capital markets funding transaction for which AAC issued financial guarantee insurance. In order to unwind this transaction, it will be necessary to get several consents from AAC relating to the termination and amendment of certain transaction documents and the distribution of funds from the reinsurance trust accounts. Based on early indications from L&G after orally discussing this plan briefly with representatives of AAC, D&L does not expect this transaction to be in any way contentious or adverse to AAC. D&L will not represent AAC on this matter.

33. In August 2009, my partner, Elizabeth Powers, represented Idaho Power Company (“Idaho Power”) in the negotiation of two release agreements terminating two financial guarantee insurance policies and related insurance agreements with AAC. With AAC’s and Idaho Power’s prior approval, in these negotiations, AAC was represented by my partner, Peter Baumgaertner. D&L’s predecessor firm, LeBoeuf, Lamb, Greene & McCrae LLP (“LeBoeuf Lamb”) represented AAC in its issuance to The Bank of New York, as insurance trustee, of a financial guarantee insurance policy, dated October 22, 2003, for the benefit of holders of \$49,800,000 pollution control revenue refunding bonds issued by Humboldt County, Nevada for the benefit of Idaho Power (the “Humboldt Bonds”), and the insurance agreement between AAC and Idaho Power related thereto. LeBoeuf Lamb also represented AAC in its issuance to The Bank of New York, as insurance trustee, of a financial guarantee insurance policy, dated October 3, 2006, for the benefit of holders of \$116,300,000 pollution control revenue refunding bonds issued by Sweetwater County, Wyoming for the benefit of Idaho Power

(the “Sweetwater Bonds”), and the insurance agreement between AAC and Idaho Power related thereto. On August 20, 2009, AAC, Idaho Power Company, Union Bank, N.A., the bond trustee for the Humboldt Bonds, Humboldt County, Nevada and JPMorgan Securities Inc, the remarketing agent, entered into a release agreement, terminating the financial guarantee insurance policy and the related insurance agreement. On that same date, AAC, Idaho Power, Union Bank, N.A., the bond trustee for the Sweetwater Bonds, Sweetwater County, Wyoming and JPMorgan Securities Inc, the remarketing agent, entered into a release agreement, terminating the financial guarantee insurance policy and the related insurance agreement.

34. In May 2006, D&L represented Scottish Re (U.S.), Inc. and its affiliates (collectively, “Scottish Re”) in a life reinsurance securitization transaction, pursuant to which Ambac Assurance UK Limited (“Ambac UK”), an indirect, wholly owned subsidiary of the Debtor, insured debt securities issued by Ballantyne Re plc, an Irish special purpose reinsurer. In November 2008, D&L represented Scottish Re in a restructuring of the foregoing transaction. The restructuring was subject to the prior consent of Ambac UK, which the parties obtained.

B. Former Clients

35. In applying the Firm Disclosure Procedures, D&L has determined that the following Potential Parties in Interest are Former Clients.

Matched Entity	Relationship to Debtor	Relationship to D&L
Loyens & Loeff (USA) BV	AAC Vendor	May Be Related to Former Client ⁵
Goldman Sachs International	AAC Vendor	Former Client
Hudson	Major Insurance Carrier	May Be Related to Former Client
Oracle Corporation	Vendor	Former Client
Pacific Indemnity	Major Insurance Carrier	May Be Related to Former Client
RBC Capital Markets	AAC Contract Counterparty	May Be Related to Former Client

⁵ This description is used in the event that those entities flagged in our conflicts search and those entities provided to D&L by the Debtor were similar but the names were not perfect matches.