

**STATE OF MARYLAND
MARYLAND INSURANCE ADMINISTRATION**

**IN THE MATTER OF APPROVAL
OF THE RESTRUCTURING OF**

**ACA FINANCIAL GUARANTY
CORPORATION
NAIC NUMBER 22896
140 BROADWAY
47TH FLOOR
NEW YORK, NEW YORK 10005**

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CASE NO: MIA: 2008-08-011

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ORDER

This Order is issued pursuant to Sections 2-108, 2-204, 3-116, 7-104, 7-301(b), 9-102 and 9-103 of the Insurance Article of the Annotated Code of Maryland to approve a proposed restructuring of ACA Financial Guaranty Corporation (ACA) and is based on the following findings:

1. ACA is a Maryland domestic property and casualty insurance company that was incorporated under the laws of Maryland on June 25, 1986. ACA obtained its original Certificate of Authority to conduct the business of insurance in the State of Maryland on September 11, 1986. Under its Articles of Incorporation, ACA was formed for the purpose of engaging in the business of issuing financial guaranty insurance, municipal bond insurance and credit enhancement insurance.
2. All of ACA's issued and outstanding common capital stock is owned by wholly owned subsidiaries of ACA Capital Holdings, Inc. ("ACA Capital"). Therefore, ACA is an indirect, wholly-owned subsidiary of ACA Capital.
3. Historically, the majority of ACA's business was insuring obligations issued by municipalities. ACA guaranteed the timely payment of principal and interest due on the obligations in the event of a default by the issuers.
4. Beginning in 2002 the Company began writing guarantees on structured finance products. In this business, ACA guaranteed the performance of affiliated special purpose vehicles (SPVs) on credit default swaps written by the SPVs on

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collateralized debt obligations (CDOs) or tranches of CDOs backed by portfolios of financial assets. As of September 30, 2007, ACA had guaranteed transactions of this nature with a par value totaling approximately \$69 billion. Of that amount, transactions with a par value of approximately \$22 billion were backed by subprime mortgages.

5. In November 2007, ACA was notified by a Nationally Recognized Statistical Ratings Organization (NRSRO) that its "A" financial strength and financial enhancement rating had been placed on credit watch with negative implications. A downgrade to "BBB+" or lower could have had dire consequences for ACA. On certain of its guarantees ACA entered into Credit Support Annexes (CSAs) with the credit default swap counterparties. Among other things, in the event of a downgrade the CSAs provide that the swap counterparties could require ACA to post collateral in an amount approximately equal to unrealized mark-to-market losses, which at the time were estimated to be approximately \$1.7 billion, on the insured CDOs. ACA would not have had sufficient assets to post this collateral, had they been demanded to do so by these counterparties.
6. ACA approached its swap counterparties and one of its reinsurers as a group (the "counterparties"), proposing to them a short-term forbearance agreement under which the counterparties would agree to forebear from taking actions related to the CSAs in the event of its downgrade by the NRSRO.
7. Based on the potential impending downgrade of ACA and the fact that ACA would find itself in a hazardous financial condition in the event of a downgrade, the Commissioner entered into a Consent Order with the ACA. Under the Consent Order, ACA agreed that it would not object to and, if requested, would consent to, an order granting any petition filed by the Commissioner requesting that ACA be placed under conservation, rehabilitation, or liquidation if ACA was downgraded to BBB+ or lower and ACA did not obtain forbearance agreements from all of the counterparties. Under the Consent Order, the Commissioner had the right to commence proceedings if, in his sole judgment a downgrade resulted in insufficient protection to ACA's policyholders and creditors or to the general public.
8. On December 19, 2007, the NRSRO downgraded the financial strength and financial enhancement ratings of ACA from "A" to "CCC". On this same date the Commissioner's Consent Order and the Forbearance Agreement with the counterparties was executed. A separate Letter of Representations and Agreements between the MIA and ACA was also executed. Pursuant to this Agreement, ACA was subject to a significantly increased level of oversight by the Commissioner. The effect of entering into Consent Order, Forbearance Agreement and Letter of Representations and Agreement was to provide ACA with the opportunity, while under the close supervision of the Commissioner, to negotiate a settlement of its obligations with its counterparties.

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9. The original Forbearance Agreement executed on December 19, 2007 had an expiration date of January 18, 2008. ACA subsequently executed several additional forbearance agreements with its counterparties. The latest forbearance agreement has an expiration date of August 11, 2008.
10. As a result of negotiations with its counterparties and certain other policyholders and creditors, ACA has proposed a restructuring transaction to the Commissioner. Under the proposed restructuring transaction, ACA has settled, or will settle at or before closing, many of its obligations, and will operate as a runoff Company in order to satisfy, to the extent possible, its other obligations. ACA's remaining insurance obligations will consist primarily of traditional financial guaranty insurance written on municipal obligations. These remaining policies consist of 726 issues with a par value totaling \$7.3 billion as of June 30, 2008. The essential components of the restructuring transaction are:
 - a. The settlement of ACA's obligations to the counterparties (discussed further under the caption 'Global Settlement Agreement and Surplus Note');
 - b. The settlement of certain other obligations related to its insured book of business (discussed further under the caption 'Other Obligations Related to Insured Business');
 - c. The development of a runoff business model designed to determine the amount of financial resources, using conservative assumptions, for ACA to operate as a runoff company and pay all insurance claims and administrative expenses until its last remaining insurance policies on municipal obligations expire in 2045 (discussed further under the caption 'Runoff Business Model') and apply remaining funds to satisfaction of the Surplus Notes to the extent possible; and
 - d. The reorganization of the ACA Holding Company Structure (discussed further under the caption "Reorganization of the ACA Holding Company Structure").
11. The Commissioner closely monitored the settlement negotiations between ACA and its counterparties and other policyholders. The Commissioner contracted with experts to assist him in monitoring the settlement negotiations and developing the runoff business model. These experts included attorneys experienced in restructuring and financial guaranty insurance products, specialists in receivership proceedings, specialists in modeling anticipated losses on insurance written on municipal obligations, federal tax experts and financial examiners. These specialists, along with the Commissioner's staff, assisted the Commissioner in evaluating the various settlement agreements and the assumptions underlying the runoff business model. As a result of these efforts, the Commissioner finds that:

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- a. The counterparties and other policyholders that were parties to negotiations, or their representatives were given access to all material information about all material assets and material liabilities of ACA;
- b. The settlement negotiations were conducted in an appropriate manner, in good faith, and undue influence was not exerted on any of the parties involved to enter into settlement negotiations or settlement agreements;
- c. The parties to the various settlements or their representatives were granted access to data upon which they could evaluate their positions as claimants;
- d. The settlements are fair and reasonable to the parties; and,
- e. While no business model can accurately predict the future, the runoff business model demonstrates that under reasonably anticipated scenarios and applying conservative assumptions, ACA should, upon closing of the proposed restructuring transaction, have sufficient assets to meet its obligations under its remaining insurance policies and related administrative expenses until the last obligation matures in 2045.

Global Settlement Agreement and Surplus Note:

12. On or before **August 7, 2008**, ACA's remaining counterparties (i.e., those counterparties that did not settle their obligations from ACA under transactions described under the caption 'Other Obligations Related to Insured Business') will enter into a Global Settlement Agreement (GSA) with ACA and its subsidiaries (the ACA Entities) and ACA Capital and its subsidiaries, excluding the ACA Entities (the ACA Capital Entities).
13. The GSA provides that the remaining counterparties will release their potential claims against the ACA Entities, as and in the manner provided therein, in exchange for a cash payment and surplus notes issued by ACA (the "Surplus Notes"). The proposed restructuring transaction contemplated in the GSA is to be closed upon the satisfaction or waiver of certain specified conditions, including the approval of the Commissioner.
14. The Surplus Notes will be issued in the aggregate principal amount of \$1 Billion, and will bear no interest. The Surplus Notes are subordinate to the claims of policyholders, claimant and beneficiary claims, and to all other classes of creditors other than surplus note holders, but will be superior to claims of ACA's common and preferred shareholders. The Surplus Notes will be in compliance with Section 3-116 of the Insurance Article and Statement of Statutory Accounting Principles No. 41. The Surplus Notes are designed such that the holders of the Surplus Notes (other than ACA Capital in specific circumstances)

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will share pro-rata on any distributions of ACA's assets during the runoff period, or upon liquidation after successful runoff. The aggregate principal amount of the Surplus Notes is intentionally sufficiently large so that holders of the Surplus Notes, which are primarily the counterparties, will participate in any distributions that might be made by ACA during or after its runoff.

15. The Surplus Notes will be distributed to the remaining counterparties (95%) and to ACA Capital (5%). The counterparties have the choice of receiving Surplus Notes that have voting rights and Surplus Notes that do not have voting rights.
16. In conjunction with the GSA and Surplus Notes, the parties entered into several related agreements. Among those agreements is an Intercompany Agreement between the ACA Entities and the ACA Capital Entities whereby, among other matters, the ACA Entities and the ACA Capital Entities agreed to establish and settle all obligations existing between themselves and to provide for ongoing operational support.
17. In conjunction with the submission of the proposed transaction to the Commissioner for review, ACA Capital on behalf of itself and its investors submitted a disclaimer of control over ACA to the Commissioner based on provisions of the Surplus Notes that provide control over ACA's Board of Directors to the holders of those Notes with voting rights. Specifically, the Surplus Notes provide the holders of those Notes with voting rights to nominate all of the persons to serve as Directors of ACA. ACA Capital, which indirectly controls all of ACA's issued and outstanding voting common capital stock, is required to cause the election of the persons so nominated to the ACA Board of Directors. In addition, the Surplus Notes restrict ACA's ability to enter into certain transactions (e.g., sell assets, merge, acquire assets, enter into affiliate transactions, pay dividends or distributions, change organizational documents, etc.) without the prior approval of the Surplus Note holders.
18. Also in conjunction with the submission of the proposed transaction to the Commissioner for review, those counterparties that will receive 10% or more of the Surplus Notes with voting rights have submitted or agreed to submit disclaimers of control over ACA to the Commissioner. Because the holders of Surplus Notes with voting rights will, in the aggregate, effectively control the operations of ACA, any holder of 10% or more of the Surplus Notes with voting rights would be presumed to control ACA under §7-104. Specifically, not including ACA Capital, there will be 31 holders of Surplus Notes, almost all of which will have voting rights. Moreover, no one Surplus Note holder will initially hold in excess of 20% of the voting rights. Because the approval of actions, pursuant to terms of the Surplus Notes, requires the consent of the holders of at least 50% of the voting rights, and the maximum initial voting interest of any Surplus Note holder will be no more than 20%, no Surplus Note holder will be able to individually exercise control.

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Similarly, there is no agreement among the 31 holders of the Surplus Notes to act or vote collectively to control ACA.

19. ACA Capital has agreed in the GSA and the Intercompany Agreement that it will not, and will not permit any of the ACA Entities to, purchase or otherwise acquire any Surplus Notes other than the \$50 million Surplus Note issued to ACA Capital at the closing.

Other Obligations Related to Insured Business:

20. In developing the restructuring transaction, ACA, under the supervision of the Commissioner and with the agreement of its counterparties, negotiated settlements of certain other obligations. The obligations so settled included certain obligations to certain note holders (as described below), swap counterparties that had unique collateral positions, certain reinsurers, and certain policyholders.
21. In connection therewith on or before **August 7, 2008**, the ACA Capital Entities, the holders of \$100 million of medium term notes insured by ACA (the "Note Holders") and the counterparties will enter into a Restructuring Agreement (the "MTN Restructuring Agreement"). Under the MTN Restructuring Agreement the Note Holders will receive an aggregate payment of approximately \$47,179,000 and title to certain collateralized loan obligation equity interests in full satisfaction of the claims of the Note Holders.

Runoff Business Model:

22. As part of its settlement negotiations, ACA undertook a complete analysis of its assets, insurance obligations and other liabilities. ACA also performed an analysis of the assets and operational capacities it would need to successfully run off.
23. As a result of these efforts, ACA developed a runoff business model. This model included an operating plan and financial projections. The financial projections include a projection of its insurance obligations and administrative expenses to be incurred during its runoff period. ACA believes that its model shows that it will, upon closing of the proposed restructuring transaction, have sufficient assets to successfully run off.

ACA Capital Holding Company Structure Reorganization:

24. In addition to the proposed restructuring transaction described above, in a letter dated July 28, 2008 ACA Capital notified the Commissioner of an additional proposal to restructure the ACA Capital Holding Company Structure. The purpose

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of this proposed restructuring is to cause ACA to no longer be consolidated with ACA Capital for federal income tax purposes.

25. This proposed restructuring transaction involves the transfer of certain shares of ACA common capital stock between wholly owned subsidiaries of ACA Capital. Currently, all of ACA's common capital stock is owned by ACA Holding, L.L.C. (76.6%) and ACA Solutions, Ltd. (23.4%). Under the proposal, ACA Capital proposes to create KPR, Ltd., a Cayman Islands holding company. ACA Solutions, Ltd. will then sell the 23.4% of ACA common capital stock it owns to KPR Ltd. pursuant to a Stock Purchase Agreement. The sale by ACA Solutions, Ltd. of the 23.4% of ACA common capital stock it owns to KPR Ltd. will not result in an acquisition of control of ACA. Specifically, after the proposed sale ACA will remain an indirect, wholly-owned subsidiary of ACA Capital. But, because ACA Capital has disclaimed control as referenced in Paragraph 17, supra, KPR Ltd. will not be deemed to control ACA.

THEREFORE, having determined that the proposed restructuring transaction: (1) is in the best interest of the policyholders and creditors of ACA Financial Guaranty Corporation and the public; (2) is in compliance with applicable provisions of the Insurance Article; and (3) is fair and reasonable; the Insurance Commissioner, pursuant to his authority under Sections 2-108, 2-204, 3-116, 7-104, 7-301(b), 9-102 and 9-103 of the Insurance Article, hereby **ORDERS** that:

- A. Effective on the date this Order is signed, the closing of the proposed restructuring transaction, the issuance and terms of the Surplus Notes, the payments to be made under the GSA, and the execution and performance of the GSA by ACA, the execution of the MTN Restructuring Agreement and payments to be made under the MTN Restructuring Agreement are approved and for the avoidance of doubt, the Surplus Notes comply with the requirements of Section 3-116 of the Insurance Article;
- B. Effective on the date this Order is signed, with regard to the disclaimer referred to in Paragraph 17, ACA Capital is exempt from the requirements of Title 7, Subtitle 3 of the Insurance Article of the Annotated Code of Maryland;
- C. Effective on the date this Order is signed, those counterparties that previously submitted disclaimers of control over ACA, are exempt from the requirements of Title 7, Subtitle 3 of the Insurance Article of the Annotated Code of Maryland;
- D. Effective on the date this Order is signed, those counterparties who receive less than 10% of the Surplus Notes with voting rights are not subject to Title 7, Subtitle 3 of the Insurance Article of the Annotated Code of Maryland;

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- E. Based on the closing documents and the disclaimer filings made with the Commissioner in connection with this transaction, no counterparty shall be deemed to "control" ACA for purposes of Title 7 of the Insurance Article of the Annotated Code of Maryland solely by reason of such counterparty's ownership on and as of the closing date of the Surplus Note issued to it pursuant to the GSA or by reason of any of the rights and benefits provided to such counterparty pursuant to the terms thereof;
- F. ACA shall provide to the Maryland Insurance Administration within 5 business days of the closing of the proposed restructuring and reorganization transactions copies of all documents executed in connection with the restructuring and reorganizations;
- G. ACA shall submit, within 15 days after the end of the month of closing, an amendment to its 2008 Form B filing pursuant to Section 7-602 of the Insurance Article reflecting the findings in this Order regarding control;
- H. Subsequent to the closing of the proposed restructuring transaction, any person that proposes to acquire greater than 10% of the interests in the Surplus Notes with voting rights shall comply with the provisions of Title 7, Subtitle 3 of the Insurance Article;
- I. Subsequent to the closing of the proposed restructuring transaction, any person that:
 - i) holds greater than 10% of the Surplus Notes with voting rights; ii) has had a disclaimer of control accepted by the Commissioner; and iii) proposes to acquire additional voting interests such that the person's voting rights would increase by 10% or more shall comply with the provisions of Title 7, Subtitle 3 of the Insurance Article;
- J. Upon the closing of ACA's proposed restructuring transaction, ACA may elect the individuals identified to the Commissioner as the members of ACA's Board of Directors and appoint the individual identified to the Commissioner as ACA's President. ACA has provided the Administration with biographical affidavits for these individuals. ACA shall have background investigations conducted by an independent third party approved by the Administration in order to ascertain the accuracy and completeness of the information in the biographical affidavits. The background investigation reports are to be provided to the Administration on or before September 5, 2008. Any individuals determined by the Administration: i) to be untrustworthy or of unsound character as a result of the investigations; or ii) for whom the information provided on their biographical affidavits is materially inconsistent with the results of the investigations, will be immediately removed from their positions within ACA;
- K. ACA shall operate as a runoff financial guaranty insurance company;

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- L. ACA shall continue to maintain a Certificate of Authority from the State of Maryland and from all other states and territories of the United States and maintain minimum capital and surplus as needed to conduct insurance business;
- M. ACA shall comply with all applicable Maryland insurance laws and regulations, as well as the applicable insurance laws and regulations in the jurisdictions in which it is licensed to conduct insurance business;
- N. ACA shall adjust, defend and pay claims on its in-force book of insurance policies. Except as described in Paragraph O, ACA shall not, and shall not allow its subsidiaries to, issue any new insurance policies or guarantees;
- O. In response to the actual or threatened default on insured or guaranteed in-force obligations, ACA may, or may allow its subsidiaries to, issue new insurance policies or guarantees as part of the restructuring of the obligations; however, any such policy must first be approved by the ACA Board of Directors and the maturity date of the new insurance policies or guarantees issued may not be later than the last expiration date of the insured or guaranteed obligations in force as of the date of the closing of the proposed restructuring transaction;
- P. ACA shall wind up the affairs of its subsidiaries through merger, liquidation or other means;
- Q. ACA shall perform all other ordinary business activities (such as the maintenance of an office, retention and discharge of employees, compliance with regulatory obligations, investment of its assets in a manner permitted by Maryland law) that are reasonably incident to the foregoing;
- R. In furtherance of its operation as a runoff financial guaranty insurance company, ACA has submitted a draft Plan of Operation to the Commissioner. The Plan of Operation addresses the proposed operations of ACA as it runs off its book of insurance business. On or before September 5, 2008 ACA will have made any revisions to the Plan of Operation as directed by the Commissioner;
- S. ACA shall operate as represented in its Plan of Operation once approved by the Commissioner. ACA shall not materially alter or amend its approved Plan of Operation without the prior written approval of the Commissioner;
- T. ACA will execute routine business transactions (e.g., payment of payroll expenses, lease expenses, claims payments, etc.) related to its operation as a runoff financial guaranty insurance company without the need to advise the Commissioner of upcoming routine business transactions or to obtain the prior approval of the Commissioner before executing those transactions;

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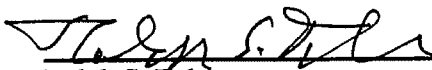
- U. ACA will not consummate the following non-routine business transactions related to its operation as a runoff financial guaranty insurance company without first obtaining the prior written approval of the Commissioner.
- a. transfer assets from ACA to any other entity;
 - b. create new subsidiaries;
 - c. acquire any subsidiaries;
 - d. merge or liquidate subsidiaries;
 - e. make any distributions to holders of the Surplus Notes;
 - f. reinsure all or a portion of its in-force book of business;
 - g. execute any lease;
 - h. incur any debt;
 - i. pledge any assets, and
 - j. hire an outside entity to perform some or all of the functions needed to operate ACA.
 - k. For the avoidance of doubt, ACA will not consummate any transactions or series of like transactions not specifically listed above in excess of \$100,000 without first obtaining the prior written approval of the Commissioner;
- V. Within 45 days of the quarter ended September 30, 2008 and for each calendar quarter thereafter, ACA will deliver to the Commissioner a written report, in a format approved by the Commissioner, informing the Commissioner of the results of ACA's operations and the status of key components of its Plan of Operation. Among other items to be included in the reports, as determined by the Commissioner, ACA will include following information:
- a. any changes in any key personnel of ACA, including any officers and/or members of the Board of Directors of ACA;
 - b. any new claims on any insurance policies or guarantees;
 - c. the status of any outstanding claims on any insurance policies or guarantees, including efforts to mitigate any losses;

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- d. surveillance with respect to obligations covered by insurance policies or guarantees; and
 - e. the status of the winding-up of any of ACA's subsidiaries;
- W. Within 45 days of the end of the six-month periods ended June 30 and December 31 of each year, ACA shall provide the Administration with an analysis of its operating expenses for the six-month period then ended. This analysis should include a comparison of the expenses incurred during the period against the budgeted expenses included in the financial projections included in its runoff business model. This analysis should also include a projection of expenses for the remainder of the runoff period, an explanation of the variance, and a corrective action plan should projected expenses exceed the remaining budgeted expenses included in the financial projections;
- X. Each of provisions in paragraphs A through W of this Order shall remain in effect until such time as the Commissioner notifies ACA in writing that a particular provision is no longer in effect;
- Y. Upon the closing of the proposed restructuring transaction, the December 19, 2008 Consent Order in Case No. MIA-2007-12-037 and the Letter of Representations and Agreements between the Maryland Insurance Administration and ACA dated December 19, 2007, shall terminate; and
- Z. Nothing in this Order shall preclude the Commissioner from taking further immediate action as deemed in the best interest of ACA's policyholders and the public including commencement of legal proceedings if and as necessary.

IT IS HEREBY ORDERED this 7th day of August, 2008.

IN WITNESS WHEREOF, I have hereto set
my hand and affixed the Official Seal of my
office in the City of Baltimore this 7th day
of August, 2008



Ralph S. Tyler,
Insurance Commissioner
for the State of Maryland

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



RALPH S. TYLER
Commissioner

BETH SAMMIS
Deputy Commissioner

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FOR IMMEDIATE RELEASE

**INSURANCE COMMISSIONER APPROVES ACA FINANCIAL
GUARANTY CORPORATION SETTLEMENT AND RESTRUCTURING
PLAN**

Baltimore, MD (August 8, 2008)... Insurance Commissioner Ralph S. Tyler announced a resolution today in the matter of ACA Financial Guaranty Corporation, a financial guaranty company that has been under financial stress since last year.

The Order issued today by the Commissioner explains that ACA has settled, or will settle at or before closing, many of its obligations. ACA's remaining insurance obligations will consist primarily of traditional financial guaranty insurance written on municipal obligations. The approved restructuring will provide significant protection to ACA's municipal policyholders. ACA will operate as a runoff insurance company while continuing to insure these obligations. Extensive financial modeling and analysis was performed to project the level of assets deemed sufficient to run off the remaining insurance obligations. ACA will continue to operate to adjudicate and pay all insurance claims and administrative expenses.

"I feel that all the parties involved have made the best of a difficult situation," said Tyler. "The objectives have always been to make sure that the individuals relying on municipal obligations insured by ACA are protected and that the restructuring is resolved in a manner satisfactory to the counterparties with structured finance exposure. This deal accomplishes these objectives. A great deal of effort and due diligence went into this arrangement on all parts and I am satisfied that the outcome was worth it."

As a result of the restructuring transaction, ACA Capital Holdings Inc. will no longer control ACA Financial Guaranty Corporation. Rather, control will reside with certain former counterparties to the transactions guaranteed by ACA, with no one counterparty having the ability to individually exert control over ACA to the exclusion of the counterparty group. Additionally, ACA will operate under a number of restrictions which include being restricted from writing any new business without MIA approval.

Historically, ACA's primary business had been insuring the payment of principal and interest of obligations issued by municipalities. However, in recent years, ACA wrote guarantees on complex structured finance products (collateralized debt obligations or "CDOs") backed in some instances by bundles of subprime mortgages. Certain of these guarantees included provisions whereby the counterparties to the transactions guaranteed by ACA could require the posting of collateral and/or exercise a contract termination right in the event that ACA's financial strength rating was downgraded below certain levels. The meltdown of the sub-prime mortgage market significantly contributed to a downgrade of ACA's rating, which could have triggered the collateral posting requirement or termination event. ACA would not have had sufficient assets to post collateral or meet the termination event payments.

Beginning in December 19, 2007, ACA entered into a series of forbearance agreements with the counterparties under which the counterparties agreed not to take action to demand the posting of collateral or otherwise terminate their contacts with ACA. This provided ACA, the counterparties and the Administration time to devise a long term, permanent solution to ACA's financial problems. The restructuring plan is the result of these efforts.

The Commissioner's Order is available at the Maryland Insurance Administration website, www.mdinsurance.state.md.us.

The Maryland Insurance Administration (MIA), founded as the Maryland Insurance Division in 1872, is an independent State agency located in downtown Baltimore. This agency regulates Maryland's \$26 billion insurance industry and makes certain that insurance companies, health plans and producers (agents and brokers) comply with Maryland insurance law. The MIA also licenses over 110,000 producers and approximately 1,500 insurance companies, regulates insurance rates, monitors insurer solvency, investigates consumer complaints and travels across the State providing consumers with educational materials on insurance. These materials may also be found at www.mdinsurance.state.md.us.