

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

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| AMBAC ASSURANCE CORPORATION, | : | |
| | : | |
| Plaintiff, | : | |
| | : | |
| v. | : | Index No. 650421/2011 |
| | : | |
| EMC MORTGAGE CORPORATION, and J.P. | : | |
| MORGAN SECURITIES, INC., (formerly | : | |
| known as BEAR, STEARNS & CO. INC.), | : | |
| | : | |
| Defendants. | : | |
| ----- | X | |

**[PROPOSED] ORDER GRANTING A STAY OF THIS ACTION
PURSUANT TO SECTION 2201 OF THE CPLR**

Upon the motion of defendants EMC Mortgage Corporation and J.P. Morgan Securities, Inc., dated March 14, 2011, to stay the above-captioned action pursuant to Section 2201 of the New York Civil Practice Law and Rules (“CPLR”); and after consideration of the accompanying memorandum of law and the Affidavit of Stacey R. Friedman, sworn to on the 14th day of March, 2011, and the exhibits thereto, and sufficient cause appearing therefor, it is hereby

ORDERED that all proceedings in this action are stayed pursuant to Section 2201 of the CPLR; and it is further

ORDERED that any party may make an application to vacate this stay upon entry of a final order by the United States Court of Appeals for the Second Circuit (“Second Circuit”) in the action originally captioned *Ambac Assurance Corp. v. EMC Mortgage Corporation*, No. 08-9464, initially filed in the United States District Court for the Southern District of New York on November 5, 2008 and pending before the Second Circuit as of March 9, 2011; and it is further

ORDERED that, upon vacating this stay, defendants shall make any and all motions pursuant to CPLR 3211, or otherwise move against or respond to the complaint, within 30 days thereafter, or at a later time as directed by this Court.

Dated: _____

ENTER

J.S.C.