

## **LITIGATION UPDATE: ACA Financial Guaranty Intends to Challenge Dismissal**

*ACA website ([www.aca.com](http://www.aca.com)), New York – May 14, 2013.* On May 14, 2013, the Appellate Division of the Supreme Court of the State of New York ordered the dismissal of ACA's legal action against Goldman Sachs & Co. ("Goldman") relating to the ABACUS structured finance product. The decision, with two judges dissenting, reversed the lower court's order of April 23, 2012 denying Goldman's motion to dismiss. ACA believes that the decision is incorrectly decided and intends to challenge it vigorously.

ACA's counsel, Mark Kasowitz of Kasowitz, Benson, Torres & Friedman LLP, made the following statement: "As the two-judge dissent makes clear, the majority's 'line of reasoning neither comports with the factual record nor the law on this issue.' We are planning to pursue our appeal as of right to the Court of Appeals and are considering whether to move for reconsideration before the Appellate Division because of the facts apparently overlooked by the majority. In any event, this decision relates to the first amended complaint, and there is a live second amended complaint, which added Paulson as a party as well as other allegations, which is pending before Justice Kapnick."