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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE MBIA, INC., SECURITIES
LITIGATION

File No. 08-CV-264-KMK

**NOTICE AND ~~PROPOSED~~ ORDER
OF VOLUNTARY
DISMISSAL PURSUANT TO
FED. R. CIV. P. 41(a)(1)**



WHEREAS, on March 31, 2010, this Court issued an opinion and order that, in part, dismissed the claims against defendants Gary C. Dunton and C. Edward Chaplin (the "Individual Defendants") on the basis that the complaint failed to adequately allege the scienter element of a securities fraud claim against them; and

WHEREAS, Lead Plaintiff subsequently filed a Second Consolidated Amended Class Action Complaint ("Complaint") including additional allegations against the Individual Defendants; and

WHEREAS, the Individual Defendants moved to dismiss the Complaint, and that motion was fully briefed but not argued or decided; and

WHEREAS, the Parties have agreed that, in the context of the pending settlement of this case, Lead Plaintiff will withdraw and dismiss the allegations and claims of the Complaint as against the Individual Defendants; and

WHEREAS, neither Mr. Dunton nor Mr. Chaplin has served an answer or a motion for summary judgment; and

WHEREAS, on September 6, 2011, the Parties have filed a Stipulation and Agreement of Settlement, the defined terms stated therein being applicable to this Notice,

LEAD PLAINTIFF HEREBY GIVES NOTICE THAT:

1. The claims and allegations of the Complaint as against the Individual Defendants are hereby withdrawn and, pursuant to the Court's endorsement below, are ordered dismissed with prejudice subject to paragraph 2 below.

2. If and only if the settlement in this case is not approved or the Effective Date otherwise fails to occur, then the Individual Defendants shall be reinstated without objection as Defendants in the Action, and they and Lead Plaintiff shall revert to their respective positions in the Action immediately prior to July 7, 2011. In the event that the Individual Defendants are reinstated as Defendants and, if their motion to dismiss the Complaint has been removed from the docket, Lead Plaintiff agrees that it will not object to reinstatement of the motion. Any statute of limitations, statute of repose or other time-related defense, whether statutory, contractual or otherwise, with respect to any and all claims that were asserted, or could have been asserted against the Individual Defendants in the Action, is tolled from the date of filing of this Notice until such date (if any) that the claims against them are reinstated pursuant to this paragraph.

[signature page follows]

Dated: New York, New York
September 26, 2011

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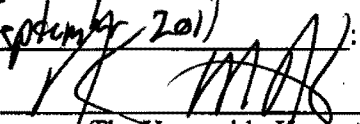
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*Lead Counsel for Lead Plaintiff
and the Class*

*Attorneys for Defendants MBIA Inc.,
Gary C. Dunton and C. Edward Chaplin*

SO ORDERED this 27th day of September 2011:



The Honorable Kenneth M. Karas
United States District Judge

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