

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE AMBAC FINANCIAL GROUP,  
INC. SECURITIES LITIGATION

Case No. 08-cv-00411-NRB  
ECF Case

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**PROPOSED** ORDER GRANTING LEAD COUNSEL'S  
APPLICATION FOR AN AWARD OF ATTORNEYS' FEES AND  
**REIMBURSEMENT OF EXPENSES**

WHEREAS, Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses (the "Motion") came before the Court for hearing on September 28, 2011, pursuant to the Court's Order Preliminarily Approving Proposed Settlements dated June 14, 2011 ("Preliminary Approval Order," ECF No. 51); and due and adequate notice having been given to the Class as required in the Preliminary Approval Order; and the Court, having read and considered the Motion and supporting declarations and exhibits and being fully informed of the related proceedings, now FINDS, CONCLUDES AND ORDERS as follows:

1. This order incorporates by reference the definitions in (i) the Stipulation of Settlement with Ambac and the Individual Defendants, and amendments thereto, (ii) the Stipulation of Settlement with the Underwriter Defendants, dated as of May 4, 2011, ("Stipulations" or "Settlements"), previously filed with the Court, and all capitalized terms used herein shall have the same meanings as set forth in the Stipulations, and amendments thereto, unless otherwise noted herein.

2. This Court has jurisdiction over the subject matter of the litigation and over all parties to this litigation, including all members of the Class.

3. Notice of Lead Counsel's application for attorneys' fees and reimbursement of expenses was given to all Class Members who could be identified with reasonable effort. The form and method of notifying the Class of the application for attorneys' fees and expenses met the requirements of Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform Act of 1995 (the "PSLRA"), due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

4. The Court hereby grants the attorneys' fees and expenses requested in connection with the Settlements.

5. The objections to the application are overruled.

6. The Court hereby awards attorneys' fees of 17% of the total Settlement Fund, or \$5,610,000, payable to Lead Counsel. The Court also awards Lead Counsel reimbursement of litigation expenses in the amount of \$795,802.88, payable to Lead Counsel. The Court awards interest that has accrued on the attorneys' fees and the expenses awarded, at the same rate as earned by the Settlement Fund. Lead Counsel shall have the sole authority to allocate the Court-awarded attorneys' fees amongst Plaintiffs' Counsel in a manner which Lead Counsel, in good faith, believe reflects the contributions of such counsel to the prosecution and settlements of the Securities Actions.

7. Pursuant to the Stipulations, the attorneys' fees and expenses and interest, as awarded by the Court, may be paid to Lead Counsel from the Settlement Fund immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlements or any part thereof.

8. The Court finds that an award of attorneys' fees of 17% of the Settlement Fund is fair and reasonable in consideration of the following factors, among others: the fact that the fee

percentage is lower than the fee percentage customarily awarded within this and other Circuits, including in similar cases; the time and labor expended by counsel; the magnitude and complexities of the litigation; the risk of the litigation; the quality of representation; the requested fee in relation to the Settlements; a lodestar cross-check; public policy considerations; the approval of the fee request by the institutional investor Lead Plaintiffs; and the lack of substantial objections from Class Members.

9. The Court approves an allocation from the awarded fee to Tolin's Counsel in the amount of four-hundred thousand dollars (\$400,000) for Tolin's Counsel's fees and expenses in connection with the Tolin Action.

10. The Court also grants the request of Lead Plaintiffs for a total award of \$19,051.12, as set forth in the fee and expense application, pursuant to 15 U.S.C. § 78u-4(a)(4).

11. Any appeal or any challenge affecting this Court's order approving the attorneys' fees and expense application shall in no way disturb or affect the finality of the Judgment.

IT IS SO ORDERED,

DATED: September 28, 2011



The Honorable Naomi R. Buchwald  
UNITED STATES DISTRICT JUDGE