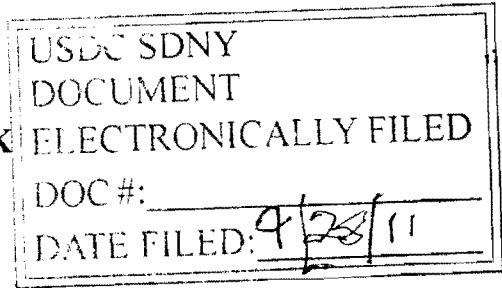


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



IN RE AMBAC FINANCIAL GROUP,
INC. SECURITIES LITIGATION

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

~~PROPOSED~~ ORDER APPROVING PLAN OF ALLOCATION

Lead Plaintiffs' Motion for Final Approval of Class Action Settlements and Plan of Allocation (the "Motion") duly 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 meaning as set forth in the Stipulations (and amendments thereto), unless otherwise noted herein.

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

3. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all persons and entities who are Class Members, advising them of the proposed Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all such persons and entities to be heard with respect to the proposed Plan of Allocation.

4. The Court hereby finds and concludes that the formula for the calculation of the claims of Authorized Claimants, the Plan of Allocation, which is set forth in the Notice of Pendency of Class Action and Proposed Settlements, Final Approval Hearing, and Motion for Attorneys' Fees and Reimbursement of Litigation Expenses (the "Notice") mailed to Class Members provides a fair and equitable basis upon which to allocate the proceeds of the Settlement Fund among the Class Members.

5. The Court hereby finds and concludes that the Plan of Allocation set forth in the Notice is, in all respects, fair and equitable to the Class. Accordingly, the Court hereby approves the Plan of Allocation submitted by Lead Plaintiffs.

6. The finality of the Judgment entered with respect to the Settlement shall not be affected in any manner by this Order, or any appeal from this Order approving the Plan of Allocation.

IT IS SO ORDERED,

DATED: September 28, 2011



The Honorable Naomi R. Buchwald
UNITED STATES DISTRICT JUDGE