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*Attorneys for the Debtor and Debtor in Possession*

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

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	:
<i>In re</i>	:
	:
	: <b>Chapter 11</b>
AMBAC FINANCIAL GROUP, INC.,	:
	:
	: <b>Case No. 10-15973 (SCC)</b>
Debtor.	:
	:
-----X	

**NOTICE OF FILING OF SECOND  
AMENDED SCHEDULE OF EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES TO BE  
ASSUMED PURSUANT TO THE THIRD AMENDED PLAN  
OF REORGANIZATION OF AMBAC FINANCIAL GROUP, INC.**

**TO: ALL COUNTERPARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED  
LEASES THAT ARE TO BE ASSUMED, PLEASE TAKE NOTICE OF THE  
FOLLOWING:**

PLEASE TAKE NOTICE THAT on October 5, 2011, the United States Bankruptcy Court for the Southern District of New York (the “Court”) entered an order [Docket No. 618] (the “Disclosure Statement Order”) (a) approving the Second Amended Disclosure Statement [Docket No. 601] (the “Disclosure Statement”) of Ambac Financial Group, Inc. (the “Debtor”) as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code;<sup>1</sup>

<sup>1</sup> Capitalized terms not otherwise defined herein shall have the same meanings ascribed to them in Plan.



(b) establishing solicitation, voting, and tabulation procedures related to the *Second Amended Plan of Reorganization of Ambac Financial Group, Inc.* [Docket No. 599] (as amended, the “Plan”); (c) appointing a voting agent; and (d) scheduling a confirmation hearing with respect to the Plan.

PLEASE TAKE FURTHER NOTICE THAT, on September 30, 2011, the Debtor filed with the court, as Schedule F to the Plan, a *Schedule of Assumed Executory Contracts and Unexpired Leases* (the “Assumption Schedule”).

PLEASE TAKE FURTHER NOTICE THAT, on January 25, 2012, the Debtor filed with the court an amended Exhibit F to the Plan (the “Amended Assumption Schedule”).

**PLEASE TAKE FURTHER NOTICE THAT, on this 6th day of March, 2012, the Debtor filed with the Court a second amended version of Exhibit F to the Plan (the “Second Amended Assumption Schedule”), a copy of which is attached hereto as Exhibit A, which amends and supersedes the Amended Assumption Schedule.**

**PLEASE TAKE FURTHER NOTICE THAT that the Debtor is proposing to assume (or assume and assign) the executory contract(s) and/or unexpired lease(s) listed on Exhibit A, to which you may be a counterparty.<sup>2</sup>**

PLEASE TAKE FURTHER NOTICE THAT you are receiving this notice because the Debtor’s records reflect that you are a counterparty to an executory contract or unexpired lease with the Debtor that has not been assumed or rejected as of October 6, 2011, which is the date for determining which holders of Claims are entitled to vote on the Plan. Pursuant to Article V of the Plan *as currently drafted and subject to entry of an order of the Court confirming the Plan*, each executory contract or unexpired lease shall be deemed automatically rejected in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such executory contract or unexpired lease (a) was assumed or rejected previously by the Debtor; (b) previously expired or terminated pursuant to its terms; (c) is the subject of a motion to assume filed on or before the Effective Date; or (d) is identified on the Second Amended Assumption Schedule. The Debtor’s decision to assume or reject any executory contract or unexpired lease has been made in accordance with the terms of the Plan, and notice of the Debtor’s intent to assume (or assume and assign) any executory contract or unexpired lease is being provided to the affected counterparty in accordance with Article V of the Plan. **Accordingly, if you are a counterparty to an executory contract or unexpired lease listed on Exhibit A, your contract or lease may be assumed (or assumed and assigned) by the Debtor.**

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<sup>2</sup> Neither the exclusion nor inclusion of any executory contract or unexpired lease on the Amended Assumption Schedule, nor anything contained in the Plan or the *Schedules of Assets and Liabilities for Ambac Financial Group, Inc.* [Docket No. 86], filed on December 22, 2010, shall constitute an admission by the Debtor that any such contract or lease is in fact an executory contract or unexpired lease capable of assumption, that the Reorganized Debtor has any remaining obligations thereunder or that such executory contract or unexpired lease is necessarily a binding and enforceable agreement. Further, the Debtor expressly reserves the right to (i) remove any executory contract or unexpired lease from the Amended Assumption Schedule and reject such executory contract or unexpired lease pursuant to the terms of the Plan, up until the Effective Date and (ii) contest any claim (or claim amount) asserted in connection with assumption of any executory contract or unexpired lease.

PLEASE TAKE FURTHER NOTICE THAT section 365(b)(1) of the Bankruptcy Code requires a chapter 11 debtor to cure, or to provide adequate assurance that it will promptly cure, at the time of the assumption, any defaults under executory contracts and unexpired leases. Accordingly, after a thorough review of its books and records, the Debtor has determined that the amounts listed on Exhibit A are the amounts required to cure defaults, if any, under the executory contract(s) and unexpired lease(s) that the Debtor intends to assume (or assume and assign) listed on the Amended Assumption Schedule. Please note that if there is no cure amount stated for a particular executory contract or unexpired lease, the Debtor believes that there is no cure amount owing for such contract or lease.

PLEASE TAKE FURTHER NOTICE THAT absent any pending dispute, the monetary amounts required to cure any existing defaults arising under the executory contract(s) or unexpired lease(s) identified on the Amended Assumption Schedule will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by the Debtor in Cash on the Effective Date or as soon as practicable thereafter, or on such other terms as the parties to such executory contracts or unexpired leases may agree. In the event of a dispute, however, payment of the default amount would be made following the entry of a Final Order or order(s) resolving the dispute and approving the assumption. Assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption.

PLEASE TAKE FURTHER NOTICE THAT the hearing at which the Court will consider Confirmation of the Plan (the "Confirmation Hearing") will commence at **11:00 a.m. (prevailing Eastern Time) on March 13, 2012**, before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in Courtroom 610 at the Bankruptcy Court, One Bowling Green, New York, New York 10004, and may be continued from time to time without further notice.

PLEASE TAKE FURTHER NOTICE THAT any objections to the assumption (or assumption and assignment) of the executory contract(s) and unexpired lease(s) identified on the Second Amended Assumption Schedule and/or related cure or adequate assurances proposed in connection with the Plan that remain unresolved as of the Confirmation Hearing will be heard at the Confirmation Hearing (or such other date as fixed by the Court).

**PLEASE TAKE FURTHER NOTICE THAT any counterparty to an executory contract or unexpired lease that fails to object timely to the proposed assumption, assumption and assignment, or cure amount will be deemed to have assented to such assumption, assumption and assignment, and cure amount.**

**PLEASE TAKE FURTHER NOTICE THAT ASSUMPTION OF ANY EXECUTORY CONTRACT OR UNEXPIRED LEASE PURUSANT TO THE PLAN OR OTHERWISE SHALL RESULT IN THE FULL RELEASE AND SATISFACTION OF ANY CLAIMS OR DEFAULTS, WHETHER MONETARY OR NONMONETARY, INCLUDING DEFAULTS OF PROVISIONS RESTRICTING THE CHANGE IN CONTROL OR OWNERSHIP INTEREST COMPOSITION OR OTHER BANKRUPTCY-RELATED DEFAULTS, ARISING UNDER ANY ASSUMED EXECUTORY CONTRACT AT ANY TIME BEFORE THE DATE THE DEBTOR OR**

**REORGANIZED DEBTOR ASSUMES SUCH EXECUTORY CONTRACT. ANY PROOFS OF CLAIM FILED WITH RESPECT TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE THAT HAS BEEN ASSUMED SHALL BE DEEMED DISALLOWED AND EXPUNGED, WITHOUT FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT.**

Dated: March 6, 2012  
New York, New York

Respectfully Submitted,

/s/ Peter A. Ivanick  
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**EXHIBIT A**

**(Second Amended Assumption Schedule)**

**Schedule of Executory Contracts and Leases**

Name of other parties to lease or contract	Description of contract or lease and nature of Debtor's interest	Treatment	Assignee	Cure Amount
ALGORITHMICS U S INC	SYSTEM MAINTENANCE AND SUPPORT	Assume and Assign	Ambac Assurance Corporation	0.00
AMERICAN EXPRESS CO., CORPORATE SERVICES OPERATIONS	CORPORATE CARD SERVICES	Assume	N/A	0.00
BABSON CAPITAL MANAGEMENT LLC	MONITORING CONTRACT	Assume	N/A	0.00
BLACKROCK PROVIDENT	MONEY MARKET FUND AGREEMENT	Assume	N/A	0.00
BLOOMBERG DISASTER RECOVERY	DISASTER RECOVERY	Assume and Assign	Ambac Assurance Corporation	21.60
BLOOMBERG POM	DATA SERVICES, TRADE POSTING	Assume and Assign	Ambac Assurance Corporation	1,072.95
BLOOMBERG WORKSTATIONS	FIXED INCOME DATA	Assume and Assign	Ambac Assurance Corporation	1,454.71
BLOOMBERG DATA LICENSES	DATA LICENSES	Assume and Assign	Ambac Assurance Corporation	914.11
CITIBANK IRELAND FINANCIAL SERVICES PLC	WORLD GLOBAL PAYMENTS SERVICE AGREEMENT	Assume	N/A	0.00
CITIBANK, N A	BANK ACCOUNT AGREEMENT	Assume	N/A	0.00
CITIBANK, N A LONDON BRANCH	BANK ACCOUNT AGREEMENT	Assume and Assign	Ambac Assurance Corporation	0.00
CORPORATE COUNSELING ASSOCIATES, INC	EMPLOYEE COUNSELING SERVICE	Assume and Assign	Ambac Assurance Corporation	0.00
IBM COGNOS	SYSTEM MAINTENANCE AND SUPPORT	Assume and Assign	Ambac Assurance Corporation	0.00
NTT AMERICA INC	WEB HOSTING AMBAC.COM	Assume and Assign	Ambac Assurance Corporation	710.70
NUWARE TECHNOLOGIES	BI (COGNOS) CONSULTANTS	Assume and Assign	Ambac Assurance Corporation	0.00
OPENPAGES, INC	SYSTEM MAINTENANCE AND SUPPORT	Assume and Assign	Ambac Assurance Corporation	0.00
ORACLE CORPORATION	DATABASE MAINTENANCE	Assume and Assign	Ambac Assurance Corporation	0.00
PNC GLOBAL INVESTMENT SERVICING EUROPE LIMITED	MONEY MARKET FUND AGREEMENT	Assume	N/A	0.00
SUMMIT SYSTEMS	SOFTWARE LICENSE AND SERVICE AGREEMENT	Assume and Assign	Ambac Assurance Corporation	0.00
SUNGARD AVANTGARD LLC	SOFTWARE LICENSING AND SERVICES AGREEMENT	Assume and Assign	Ambac Assurance Corporation	0.00
SUNGARD AVANTGARD LLC	SOFTWARE LICENSING AND SERVICES AGREEMENT	Assume and Assign	Ambac Assurance Corporation	0.00
SUNGARD STN	MONEY FUND APPLICATION	Assume	N/A	0.00
THE BANK OF NEW YORK MELLON	ELECTRONIC BANKING DELIVERY MASTER AGREEMENT DATED AS OF NOVEMBER 3, 2004	Assume	N/A	0.00
THE BANK OF NEW YORK MELLON	GLOBAL CUSTODY AGREEMENT DATED AS OF NOVEMBER 3, 2004	Assume	N/A	0.00
THE BANK OF NEW YORK MELLON	STOCK TRANSFER AGENCY AGREEMENT DATED AS OF MAY 14, 2007	Assume	N/A	9,978.37
THE BANK OF NEW YORK MELLON	MONEY FUND DIRECT AGREEMENT DATED AS OF SEPTEMBER 16, 2004	Assume	N/A	0.00
WESTERN ASSETS	MONEY MARKET FUND SERVICE AGREEMENT	Assume	N/A	0.00