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Honorable Shelley C. Chapman
United States Bankruptcy Court
One Bowling Green, Courtroom 610
New York, New York 10004

Objection to the Disclosure Statement Filed by Ambac

Dear Judge Chapman:

I am a long time stockholder of Ambac Financial group and have written to express my objection to the new Disclosure Statement (DS) recently filed by Ambac being approved. I do not see that the new documents provided any financial information or other data to allow stockholders to make a judgment about the amended Plan of Reorganization (Plan) or DS. There is no financial information about their assets, method of establishing accruals or valuing assets especially those whose values are hard to compare with similar assets. As a result and to be overly conservative those types of assets could be written down well below their actual value and show our Equity to be considerably below what it should be if the assets were valued using other methods of normal valuation, or by being auctioned in the marketplace.

In accord with the Code, I think it is Title 11521, the debtor has to provide a schedule of Assets and Liabilities which I did not see in these new filings. In the old documents they listed Ambac Assurance Corp. (AAC) as an asset but gave it a value of zero. This is similar to simply stating what they need the assets to be in order to assert that no equity exists, without providing proof of the assumptions utilized internally to determine that value.

I also do not find any details about lawsuits they have filed, only JP Morgan and Bank of America are mentioned in their SEC filings, however in other correspondence they mentioned "servicers" were not performing up to the standards they should have been, Citibank and seventeen other banks were being sued. My point is that we do not know how many lawsuits have been filed, what the amount of damages is in each case or other pertinent information. The return from this source alone should be substantial over the next number of years and raise stockholders equity significantly. The settlement with the IRS is absolutely critical as it impacts the now \$800 million claim the IRS say is owed back to them, to say nothing about the net operating losses (NOL) which is another \$7.3 billion.

My great concern is having the existing stockholders wiped out first, then having the IRS suits being settled relatively favorably, this decision is critical because of the amounts of money involved, then seeing a large recovery from entities such as



banks, servicers, underwriters, mortgage providers, and also finding that their “loss reserves” were considerably over-stated, way more than needed so that these “earnings” are then written back into the new Ambac’s operating income, while we stockholders receive nothing, simply due to Ambac using different accounting accruals. I could discuss that “loss reserves” were increased around \$1.2 billion this year due to concern the housing market will decline further. Conversely today’s Case-Shiller Housing report reported nice improvements once again in the housing sector.

My contention is that vital information has not been disclosed, and thus not scrutinized resulting in the apparent destruction of our equity These are my reasons I object to the Disclosure Statement being approved.

Sincerely,


Edward F. Hosinger