

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)

(Amendment No. 2)¹

Ambac Financial Group, Inc.
(Name of Issuer)

Common Stock, \$0.01 par value per share
(Title of Class of Securities)

023139 88 4
(CUSIP Number)

December 31, 2019
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

1	NAME OF REPORTING PERSON Raging Capital Management, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER - 0 -
	6	SHARED VOTING POWER 996,477
	7	SOLE DISPOSITIVE POWER - 0 -
	8	SHARED DISPOSITIVE POWER 996,477
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 996,477	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 2.2%	
12	TYPE OF REPORTING PERSON IA	

1	NAME OF REPORTING PERSON William C. Martin	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER - 0 -
	6	SHARED VOTING POWER 996,477
	7	SOLE DISPOSITIVE POWER - 0 -
	8	SHARED DISPOSITIVE POWER 996,477
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 996,477	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 2.2%	
12	TYPE OF REPORTING PERSON HC	

Item 1(a). Name of Issuer:

Ambac Financial Group, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

One World Trade Center
New York, New York 10007

Item 2(a). Name of Person Filing:

This statement is filed by Raging Capital Management, LLC, a Delaware limited liability company ("Raging Capital"), and William C. Martin. Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons."

Raging Capital is the Investment Manager of Raging Capital Master Fund, Ltd., a Cayman Islands exempted company ("Raging Master"), in whose name the Issuer's Common Stock, \$0.01 par value per share (the "Shares"), are held. William C. Martin is the Chairman, Chief Investment Officer and Managing Member of Raging Capital. Raging Master has delegated to Raging Capital the sole authority to vote and dispose of the securities held by Raging Master pursuant to an Investment Management Agreement, dated November 9, 2012, as amended and restated on December 21, 2016 (the "IMA"). The IMA may be terminated by any party thereto effective at the close of business on the last day of any fiscal quarter by giving the other party not less than sixty-one days' written notice. As a result, each of Raging Capital and William C. Martin may be deemed to beneficially own the Shares held by Raging Master.

The filing of this Schedule 13G shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the Shares reported herein. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein. Without limiting the foregoing sentence, Raging Master specifically disclaims beneficial ownership of the Shares held by it by virtue of its inability to vote or dispose of such Shares as a result of the IMA.

Item 2(b). Address of Principal Business Office or, if none, Residence:

The principal business address of each of Raging Capital and William C. Martin is Ten Princeton Avenue, P.O. Box 228, Rocky Hill, New Jersey 08553.

Item 2(c). Citizenship:

Raging Capital is organized under the laws of the State of Delaware. William C. Martin is a citizen of the United States of America.

Item 2(d). Title of Class of Securities:

Common Stock, \$0.01 par value per share.

Item 2(e). CUSIP Number:

023139 88 4

Item 3. If this statement is filed pursuant to Section 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- / / Not Applicable
- (a) / / Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) / / Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) / / Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) / / Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) /X/ Investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E).
- (f) / / Employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F).
- (g) /X/ Parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G).
- (h) / / Savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).
- (i) / / Church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act (15 U.S.C. 80a-3).
- (j) / / Non-U.S. institution in accordance with Section 240.13d-1(b)(1)(ii)(J).
- (k) / / Group, in accordance with Section 240.13d-1(b)(1)(ii)(K).

Item 4. Ownership.

All ownership information reported in this Item 4 is as of December 31, 2019.

Raging Capital

- (a) Amount beneficially owned:

996,477 Shares

- (b) Percent of class:

2.2% (based upon 45,553,840 Shares outstanding, which is the total number of Shares outstanding as of November 4, 2019 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 7, 2019).

- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or to direct the vote
0 Shares
 - (ii) Shared power to vote or to direct the vote
996,477 Shares
 - (iii) Sole power to dispose or to direct the disposition of
0 Shares
 - (iv) Shared power to dispose or to direct the disposition of
996,477 Shares

Mr. Martin

- (a) Amount beneficially owned:
996,477 Shares
- (b) Percent of class:
2.2% (based upon 45,553,840 Shares outstanding, which is the total number of Shares outstanding as of November 4, 2019 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 7, 2019).
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or to direct the vote
0 Shares
 - (ii) Shared power to vote or to direct the vote
996,477 Shares
 - (iii) Sole power to dispose or to direct the disposition of
0 Shares

- (iv) Shared power to dispose or to direct the disposition of
996,477 Shares

As of December 31, 2019, Raging Master was a party to a swap agreement (the "Swap Arrangement") with an unrelated financial institution (the "Counterparty") with respect to a notional amount of 1,263,543 Shares (the "Referenced Shares"). The Swap Arrangement provides Raging Master with economic results that are comparable to the economic results of ownership of the Referenced Shares, but does not provide Raging Master or any Reporting Person with the power to vote or direct the voting of or to direct the purchase, sale or disposition of the Referenced Shares. The Swap Arrangement requires cash settlement only and Raging Master has no right to any kind of physical settlement. In addition, neither Raging Master nor any Reporting Person has the power to vote or direct the voting of or to direct the purchase, sale or disposition of Shares, if any, that may be actually owned by the Counterparty in connection with the Swap Arrangement. The Reporting Persons expressly disclaim beneficial ownership of the Referenced Shares but could be deemed to beneficially own the Referenced Shares. Accordingly, the Referenced Shares are not included as part of the 996,477 Shares disclosed above that are owned directly by Raging Master.

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

See Item 2(a).

Item 8. Identification and Classification of Members of the Group.

See Exhibit 99.1 to the Schedule 13G filed by the Reporting Persons with the Securities and Exchange Commission on February 14, 2018.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certifications.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 14, 2020

Raging Capital Management, LLC

By: /s/ Frederick C. Wasch
Name: Frederick C. Wasch
Title: Chief Financial Officer

/s/ Frederick C. Wasch
Frederick C. Wasch as attorney-in-fact for William C. Martin