

- Section II and/or Looking Ahead: We should monitor the posture of the ratings agencies and their primary concerns (eg, debt:equity levels, exposure to collateral calls, etc).

Thanks,
Jim

From: Fiechter, Jonathan
Sent: Monday, December 15, 2008 11:19 AM
To: Lambright, James
Cc: Kashkari, Neel; Schweitzer, Howard; Morse, Duane; Myrow, Stephen; Abdelrazek, Rawan; Hsu, Michael; Spurry, Steven
Subject: AIG Risk Assessment

Jim,

As you know we are obligated by EESA to determine the effectiveness of TARP investments. While much of the focus has understandably been on the CPP, we also need to stay on top of how our investments in AIG (and soon CITI) have met the underlying objectives of act. I am following up on a note that I sent our last week (see below).

The objectives of the AIG investment under the SSFI were laid out very well in your note that went to the Investment Committee. We would propose to follow up on the TARP investment by preparing a risk assessment note that spells out the objectives (based on your note) and then create both a benchmark for AIG today and then establish metrics to track AIG's progress (or lack thereof) in coming months. Steve and Mike have put together the attached outline of what would be covered in the risk note and have proposed spending some time with the NYFed examiners of AIG to gather information and get their take on the situation.

Before scheduling any conversations/visits with folks at the NYFed folks (they personally know the AIG examiners), they wanted to meet with you to find out what information you (or your team has), any steps along these lines that you are planning, and to get a sense of what additional info you might like. In particular, we want to make sure we're leveraging your work and not reinventing the wheel.

I recognize how busy you are on Detroit but when you get the chance, I'd appreciate your giving them your reaction to the attached.

Thanks,

Jonathan

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From: Fiechter, Jonathan
Sent: Wednesday, December 10, 2008 11:45 AM
To: Wolfeich, Paul; Bloom, Tom; Schweitzer, Howard; Lambright, James; McLellan, Don; Morse, Duane; Grippo, Gary; Abdelrazek, Rawan