

**From:** patricia.mosser/ny/frs;nsf;patricia.mosser@ny.frb.org;smtp  
**Sent:** Tue Sep 16 2008 10:39:20 EDT  
**To:** jeanmarie.davis/ny/frs;michael.nelson/ny/frs;  
**Subject:** Fw: FX Settlement Failures

..... Forwarded by Patricia Mosser/NY/FRS on 09/16/2008 09:10 A M .....

Alejandro LaTorre/NY/FRS  
09/16/2008 08:27 A M

To  
"Patricia Mosser" <Patricia.Mosser@ny.frb.org>, "Mari Baca" <Mari.Baca@ny.frb.org>  
cc

Subject  
Fw: FX Settlement Failures

Sent from my BlackBerry Handheld

..... Original Message .....

From: "Habayeb, Elias" [Elias.Habayeb@aig.com]  
Sent: 09/16/2008 07:16 A M A ST  
To: Alejandro LaTorre  
Cc: "Frenkel, Dr. Jacob A." <Jacob.Frenkel@aig.com>  
Subject: FX Settlement Failures

Alex,

It seems that Barclays, JPM and Deutsche Bank are holding back on the amounts they owe us under FX transactions. If this continues, the amounts are in the billions. This is extremely dangerous because it impairs our ability to make payments on the other side. This is the risk we were most concerned about and shared with you over the weekend. I would like discuss with you soonest possible as it is cascading through the system.

You can reach me on cell 917 647 9695 or on my phone 212 770 6990

Thanks  
Elias