

9/16/08

Paulson

BB, DK,  
KW

# Conf Call

\* - 80b liquidity by end of year

\* - 50b value on resale of all firm

- no option for sale to investors  
at this point as whole firm, unaided

(1) bankruptcy

(2) Govt support  
↳ bridge to sale of assets

- how will AIG relationships to money funds  
play out  
↳ b/c AAA rated, AIG-GIC  
are in their plans, 401(k) etc

↳ Euro banks insured

- legislation: is it scary or reassuring?

↳ HP: shouldn't rush up to Hill  
screaming emergency  
↳ instead: Hill asked  
for leg broadly needed

Concern about  
both failure and  
bad market reaction  
& raise alarms

should there be a  
tax on the  
financial system

↳ put in wind-down  
legis + add fiscal  
support

②

- what abt emergency response to HIG?

hb: can do liquidity  
w/ Treas assurance of support  
+ will go to Cong w/ legis framework

### Plan

- decide over course of day
  - sufficient A/R  
to allow HIG to be sold  
in orderly way
  - not facil merger (BS)
  - HP: go to Cong + get legis  
to take off Fed balance  
sheet + have approp  
tools to deal w/ fin crisis
- in case not enough, need to keep working  
towards final, broader legis plan  
to be able to escalate to help system
- HP: Treas will spend time on Cong strategy

3

believe us cos are sound

however HE has taken risks  
that impact org + fin system

- possible to get private sector funds?  
to go in w/ Fed.  
↳ talk to TG

- develop points on differences