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Sent: 11/30/2007 02:17:00 PM
To: William.Dooley@aig.com
CC: elias.habayeb@aig.com; Diane.Cenci@aigfpc.com
Subject: GS call Back
Attachments: gs memo.pdf

Bill ,

My contact Mike Sherwood did call me (from his sick bed) . He must have heard from our coverage guy what we wanted to discuss. He took the information in stoic fashion with little push back . He certainly sounded discourage . HE did ask well where do we go from here and I said I think you need to pay me back my cash. He said we need to understand your numbers and I said sure we can do that . He then said" ugh"and said" I guess we will be speaking more next week".

We hung up on good terms.

The key points I covered on the call were:

We are calling for\$1.4 billion back

We have been doing a great deal of ground up work .

We found the dialoague with team helpful and thourough.

With that information we have set out on our own pricing and marking process.

We do disagree about some significant aspects to their valuation especially their " leakage" modeling and bid offer overlays

We do agree with the fundamemtal primise of pricing the underlying obligations.

We now have over 70 % of the 3,500 reference obligations priiced by independent third parties the reaminder was priced by our traders.

Long and short we want our \$1.4 billion back and we are sending the notice into new york today.

I am in the office , I left you a message if you want to talk . I am atatching the notice we sent GS

Joe

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