

From: Tom.Athan@aigfpc.com
Sent: 08/01/2007 07:14:59 PM
To: Forster, Andrew
Subject: Halo called needed tomorrow AM with you and Joe...

Tough conf call with Goldman. They are not budging and are acting irrational. They insist on "actionable firm bids and firm offers" to come up with a "mid market quotation". I cant tell you all the details of the call by email but we agreed that we needed to escalate this within AIG FP and we would talk in the AM and get back to GS by noon NY time.

I feel we need Joe to understand the situation 100% and let him decide how he wants to proceed. I played almost every card I had, legal wording, market practice, intent of the language, meaning of the CSA, and also stressed the potential damage to the relationship and GS said that this has gone to the "highest levels" at GS and they feel that the CSA has to work or they cannot do synthetic trades anymore across the firm in these types of instruments. They called this a "test case" many times on the call. It seems Ram has put himself in a bind that the firm is watching him here to see how he works this out and anything other than getting collateral close to liquidation levels will be considered a failure. Someone (like Joe) might need to convince a senior person that there is an alternative way to look at this situation. I have offered a pretty good solution (I think) that we can discuss.

I can come in whenever to do the Halo ^{Redacted For Privilege}
_{Redacted For Privilege}

He is supposed to be out tomorrow but has changed his flights to come in and can be available from 7:45AM but has to leave to by 9AM.

Can you talk to Joe and perhaps do an 8am Halo?

If you think we should do something differently email me asap. I will wake up a 5:30-6am and check emails to see how you want to handle it but I think a 1 hour Halo with Joe is the way to go.

Cheers.
Tom

BTW- This isnt what I signed up. Where are the big trades, high fives and celebratory closing dinners you promised?.....

Tom Athan
AIG Financial Products Corp.
203-222-4714 phone
athan@aigfpc.com

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