

From: Wright, Neil
Sent: 01/24/2008 03:08:33 PM
To: Forster, Andrew
Subject: Re: Your proposal

We can redraw facilities for the amount of collateral we post so the usage is determined by the mtm not the notional. Sorry I can see that is clear as mud...will explain tomorrow...but that is only one of the issues...have run this past everyone over last 24 hours and just wanted to post you that I haven't got positive response so think we will need to set up that senior call to agree next steps

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----- Original Message -----

From: Forster@aigfpc.com <Forster@aigfpc.com>
To: Wright, Neil
Sent: Thu Jan 24 19:40:37 2008
Subject: Re: Your proposal

Its not clear to be honest - I don't see how your funding capacity changes. You are cash neutral now and that does not change and the amount of bonds you fund is clearly the same

-----Original Message-----

From: Wright, Neil <neil.wright@gs.com>
To: Forster, Andrew
Sent: Thu Jan 24 19:38:09 2008
Subject: RE: Your proposal

legal/compliance have problems with the self referencing derivative aspect / there are issues with the unsecured exposure and where we have these assets in funding facilities, the amount of financing used with 3rd parties is reduced to the mark to market level ..so by bringing the asset value to par we lose \$4bn or so of funding capacity in those facilities..therefore liquidity aspect we thought we were solving is not actually helped..ie. where we gain on not posting collateral, we lose in funding capacity...not sure if this is clear..will try to explain better tomorrow if not

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From: Forster@aigfpc.com [mailto:Forster@aigfpc.com]
Sent: 24 January 2008 19:28
To: Wright, Neil
Subject: Re: Your proposal

Can u give me a quick guide as to why? I will call tomorrow but I'd appreciate some colour now?

-----Original Message-----

From: Wright, Neil <neil.wright@gs.com>
To: Forster, Andrew
Sent: Thu Jan 24 19:21:55 2008
Subject: Your proposal

Andrew I have run your proposal up the flag-pole as requested and am afraid it is not going to work for various reasons which I will fill you in on tomorrow when you are back. Maybe we could chat when you get in..

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From: Wright, Neil
Sent: 01/24/2008 03:35:11 PM
To: Forster, Andrew
Subject: Re: Your proposal

To be honest I think we should just do that now and be done with it

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----- Original Message -----

From: Forster@aigfpc.com <Forster@aigfpc.com>
To: Wright, Neil
Sent: Thu Jan 24 20:12:19 2008
Subject: Re: Your proposal

I think we just do bids then.

-----Original Message-----

From: Wright, Neil <neil.wright@gs.com>
To: Forster, Andrew
Sent: Thu Jan 24 20:08:33 2008
Subject: Re: Your proposal

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