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cc "Steven Friedman" <steven.friedman@ny.frb.org>

bcc

Subject: AIG panic

More panic from HFs. Now focus is on AIG. I am hearing worse than LEH. Every bank and dealer has exposure to them. People I heard from worry they can't roll over their funding. Were big writers of GIC and negative basis buyers. Estimate I hear is 2 trillion balance sheet.

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