

From: Cassano; Joseph

Sent: 02/06/2008 10:06:27 PM

To: Forster; Andrew; Micottis; Pierre; Bridgwater; James

Subject: Update

I heard from dooley regarding the audit committee. It seems ryan made his case to the audit committee regarding the material deficiency. The aig team is now trying to determine whether they have been officially served the notice such they need to file an 8K. Apparently a material weakness finding creates a need for an immediate 8K.

Speaking of 8K's I spoke with narayan and victorto see how they were making out on the nov numbers.

Paul indicated that his analysis was working out well. He had a bit more to do when I left but thought he would be able to sign off by tomorrow morning.

Victor said he had run into a road block trying to reconcile the numbers by using the jpm spreads from sept oct to nov. He seems okay with relying on pauls work. I had a conversation with daubney of pwc. As well as us chasing down a dealer value for every transaction he is also looking for an understanding of each valuation so he can do his triangulation and weighing if the valuations give us any information we need to give weight. As usual he gives no color or sense of what is meaningful information.

There also is some talk that elias got from steve that pwc is of the view that our bet is a base value but a "positive basis" should be applied because all the dealers work up a nav and then back off some 10 pct to get a trading level.

Of course everyone is waiting for our go forward level.

That is about it.

Quite a mess

Speak with you in the am.

Joe

Sent from

Joe Cassano

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