3-1-2008

AIG Forster Email to Neil Wright re AIG Collateral Posting

Andrew Forster

Neil Wright

Michael Stanley

Tom Riggs

Sheara Fredman

https://elischolar.library.yale.edu/ypfs-documents/4138
Fredman, Sheara

Tuesday, March 25, 2008 12:30 PM

Riggs, Tom; Stanley, Michael; Wright, Neil; Simpson, Michael

Sherwood, Michael S; Schwartz, Harvey; Davilman, Andrew; Harrop, Thomas; McNeila, Joseph; Lehman, David A; Sparks, Daniel L; Sundaram, Ram; Alirehda, Yusuf; Mullen, Donald; Salame, Pablo

RE: AIG - Collateral Posting

Viniar spoke with Bensinger late Thursday and proposed splitting the current dispute of $48. As a go forward we would continue to split the margin calls 50/50. This would not impact the $3B they have already posted. Bensinger has agreed to come back to Vinia. He is out of the office returning tomorrow (Wednesday) and David hopes to hear from him/reach out by Thursday.

Will post additional details as available.

-----Original Message-----
From: Riggs, Tom
Sent: Tuesday, March 25, 2008 10:31 AM
To: Stanley, Michael; Wright, Neil; Simpson, Michael
Cc: Sherwood, Michael S; Schwartz, Harvey; Davilman, Andrew; Harrop, Thomas; McNeila, Joseph; Lehman, David A; Sparks, Daniel L; Sundaram, Ram; Alirehda, Yusuf; Mullen, Donald; Salame, Pablo; Fredman, Sheara
Subject: Re: AIG - Collateral Posting

I think David is still discussing with them. Mike Simpson: any update from David?

----- Original Message ----- 
From: Stanley, Michael
To: Wright, Neil; Simpson, Michael
Cc: Sherwood, Michael S; Riggs, Tom; Schwartz, Harvey; Davilman, Andrew; Harrop, Thomas; McNeila, Joseph; Lehman, David A; Sparks, Daniel L; Sundaram, Ram; Alirehda, Yusuf; Mullen, Donald; Salame, Pablo; Fredman, Sheara
Sent: Mar 17 2008 15:11
Subject: Re: AIG - Collateral Posting

Have they agreed to the language of the dealer poll? ... Alternatively, if they wouldn't agree to a jointly-administered poll, maybe we do a poll ourselves as an indication of "market clearing price" for these trades?

-----Original Message-----
From: Wright, Neil
To: Stanley, Michael
To: Simpson, Michael
Cc: Sherwood, Michael S
Cc: Tom Riggs
Cc: Schwartz, Harvey
Cc: Davilman, Andrew
Cc: Harrop, Thomas
Cc: Joseph McNeila
Cc: Lehman, David A.
Cc: Sparks, Daniel L
Cc: Ram Sundaram
Cc: Alirehda, Yusuf
Cc: Donald Mullen
Sent: Mar 17, 2008 15:11
Subject: Re: AIG - Collateral Posting

they are still disputing the remainder of the collateral call

we are preparing the dealer poll docs...
Did they give any timeframe for remaining -3.5-4 bn?

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Neil,

Just to let you know, that as I believe was agreed on Friday night by our two respective institutions, we will today be posting the amount of collateral we believe to be undisputed.

This amount totals $1,007,679,756. This differs very slightly from the spreadsheet total we sent you because of the following adjustments:

* We have removed Hout Bay since there is still no business agreement on the collateral mechanism for that trade.