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AIG Memo from AIGFP to Goldman Sachs regarding returning collateral payment

American International Group, Inc. (AIG)

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DATE: November 30, 2007

TO: Goldman Sachs International
 Cross-Product Collateral Management
 Facsimile: 44-207-774-2816
 Email: epcm@gs.com

FROM: AIG Financial Products Corp.

SUBJECT: ISDA Master Agreement, dated as of 19 August 2003 (the "Master Agreement"), between AIG Financial Products Corp. ("AIG-FP") and Goldman Sachs International ("GSI"), including the Credit Support Annex thereto, dated as of 19 August 2003

Reference is made to the Master Agreement and the Transactions entered thereunder. Undefined capitalized terms shall have their respective meanings set forth in the Master Agreement.

As joint Calculation Agent for the Transactions specified in Annex 1, AIG-FP has determined the market values, as of November 1, 2007, of the Reference Obligations in respect of such Transactions for purposes of calculating the Exposure of GSI to AIG-FP, as of such date, with respect to those Transactions (the "Specified CDS Exposure"). Annex 1 sets out AIG-FP's calculation of the Specified CDS Exposure as of November 1, 2007, which equals USD 428,598,350.

On November 2, 2007, GSI notified AIG-FP that its calculation of the Exposure in respect of "Credit Derivatives", as of November 1, 2007, was USD 3,209,763,575, almost all of which was represented by its calculation of the Specified CDS Exposure as of such date. Based on the determinations and calculations described above, AIG-FP disputes GSI's calculation of the Specified CDS Exposure.

Based on AIG-FP's calculation of the Specified CDS Exposure as of November 1, 2007, and taking into account Exposures in respect of other Transactions under the Master Agreement as of November 28, 2007 as set out below, AIG-FP hereby demands transfer by GSI to AIGFP of cash in the amount of the Return Amount set out below (adjusted by an amount to be agreed in respect of Exposure in respect of credit derivative transactions not taken into account in AIG-FP's calculation of the Specified CDS Exposure).

Exposure	USD
Specified CDS Exposure	428,598,350
Equity	70,431,046
Interest Rate/Foreign Exchange	11,821,366
<hr/> Total Exposure	<hr/> 510,850,762
Threshold	75,000,000
<hr/> Credit Support Amount	<hr/> 435,850,762
Credit Support Balance (cash)	2,000,000,000
Return Amount (rounded downward to 10,000)	1,564,140,000

AIG-FP reserves all rights to dispute GSI's calculation of Exposure under the Master Agreement, and this notice shall not constitute a waiver by of the rights or remedies available to AIG-FP

under the Master Agreement, any Transaction Confirmation or the Credit Support Annex or applicable law, including, without limitation, the right to call for the delivery or return of Eligible Credit Support or the right to otherwise exercise the dispute resolution provisions available to the parties upon a failure to agree as joint Calculation Agents.

AIG FINANCIAL PRODUCTS CORP.

Deal	Calculated Reference Obligation Price (if applicable)	Actual Notional	AIG-FP Calculated Exposure
Mercury CDO 2004-1, Ltd. (A-1NV)	NR	200,994,743	
Reservoir Funding Ltd. (A-1NV)	NR	315,681,873	
Jupiter High-Grade CDO III, Ltd. (A-1NV)	92.06%	1,253,495,357	49,345,409
Altius II Funding, Ltd. (A-1)	NR	1,153,336,443	
Broderick CDO 1 Ltd. (A-1NVA)	NR	345,420,648	
Broderick CDO 1 Ltd. (A-1NVB)	NR	472,578,320	
Orient Point CDO, Ltd. (A-1NVA) Delayed	76.65%	647,250,000	125,260,145
Orient Point CDO, Ltd. (A-1NVB)	76.65%	649,750,000	125,743,962
Kleros Preferred Funding II, Ltd. (A-1NV)	NR	859,602,990	
West Coast Funding I, Ltd. (A-1a)	91.68%	1,187,950,000	51,275,171
West Coast Funding I, Ltd. (A-1b)	91.68%	1,187,850,000	51,270,855
Triaxx Prime CDO, Ltd. 2006-2A	NR	1,499,850,000	
Triaxx Prime CDO, Ltd. 2006-2A (A1B1)	NR	1,499,850,000	
Dunhill ABS CDO, Ltd. (A-1NV)	NR	271,101,327	
Huntington CDO, Ltd. (A-1A NV)	NR	406,500,000	
River North CDO Ltd. (A-1)	NR	149,750,000	
Orchid Structured Finance CDO II, Ltd. (A-1)	NR	104,094,972	
Saturn Ventures 2005-1, Ltd. (A-1)	NR	196,736,964	
South Coast Funding VII Ltd. (A-1ANV)	NR	684,086,415	
Ischus CDO II Ltd. (A-1A)	NR	213,750,000	
Ischus CDO II Ltd. (A-1B Delayed)	NR	50,000,000	
Sherwood Funding CDO II, Ltd. (A-1)	NR	322,250,000	
South Coast Funding VIII Ltd. (A-1NV)	NR	335,104,984	
Glacier Funding CDO II Ltd. (A-1-NV)	NR	224,900,549	
Lexington Capital Funding, Ltd. (A-1ANV)	82.47%	189,951,776	25,702,808
ABACUS 2006-NS1 ¹			428,598,350

¹ There is no Exposure for ABACUS 2006-NS1, as Exposure for this transaction is conditioned on the Reference Obligation having been downgraded by either S&P or Moody's.