



STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL  
120 BROADWAY  
NEW YORK, NY 10271

ANDREW M. CUOMO  
Attorney General

(212) 416-8050

March 16, 2009

Edward M. Liddy,  
Chairman & CEO  
American International Group, Inc.  
70 Pine Street  
New York, NY, 10270

Re: AIG Compensation Investigation

Dear Mr. Liddy:

The Office of the New York Attorney General has been investigating compensation arrangements at AIG since last Fall. We were disturbed to learn over the weekend of AIG's plans to pay millions of dollars to members of the Financial Products subsidiary through its Financial Products Retention Plan. Financial Products was, of course, the division of AIG that led to its meltdown and the huge infusion of taxpayer funds to save the firm. Previously, AIG had agreed at our request to make no payments out of its \$600 million Financial Products deferred compensation pool.

We have requested the list of individuals who are to receive payments under this retention plan, as well as their positions at the firm, and it is surprising that you have yet to provide this information. Covering up the details of these payments breeds further cynicism and distrust in our already shaken financial system.

In addition, we also now request a description of each individual's job description and performance at AIG Financial Products. Please also provide whatever contracts you now claim obligate you to make these payments. Moreover, you should immediately provide us with a list of who negotiated these contracts and who developed this retention plan so we can begin to investigate the circumstances surrounding these questionable bonus arrangements. Finally, we demand an immediate status report as to whether the payments under the retention plan have been made.

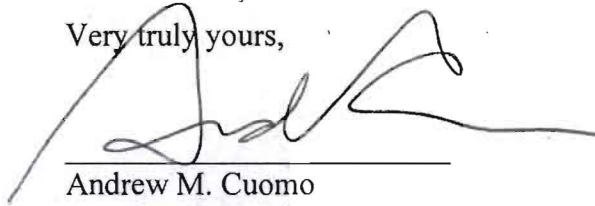
We need this information immediately in order to investigate and determine: (1) whether any of the individuals receiving such payments were involved in the conduct that led to AIG's demise and subsequent bailout; (2) whether, as you claim, such individuals are truly required to unwind AIG Financial Product's positions; (3) whether such contracts may be unenforceable for

fraud or other reasons; and (4) whether any of the retention payments may be considered fraudulent conveyances under New York law.

Taxpayers of this country are now supporting AIG, and they deserve at the very least to know how their money is being spent. And we owe it to the taxpayers to take every possible action to stop unwarranted bonus payments to those who caused the AIG meltdown in the first place.

If you do not provide this information by 4:00 p.m. today, we will issue subpoenas and seek, if necessary, to enforce compliance in court.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Andrew M. Cuomo', written over a horizontal line.

Andrew M. Cuomo  
Attorney General of the  
State of New York

cc: AIG Board of Directors