UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE AMERICAN INTERNATIONAL GROUP, INC. SECURITIES LITIGATION This Document Relates To: All Actions	Master File No. 04 Civ. 8141 (JES) (AJP) NOTICE OF PROPOSED SETTLEMENT, MOTION FOR ATTORNEYS' FEES AND EXPENSES AWARD AND FAIRNESS HEARING

If You Purchased or Otherwise Acquired Securities Issued by American International Group, Inc. During the Period From October 28, 1999 Through April 1, 2005, Inclusive, ("Class Period") and Were Damaged Thereby, You May Be Entitled to Share in a $97.5 Million Settlement With Defendant PricewaterhouseCoopers LLP.

PLEASE READ THIS NOTICE CAREFULLY.

A Federal Court Authorized This Notice. This Is Not A Solicitation.
Your Legal Rights Are Affected Whether You Do Or Do Not Act.

1. Statement of Plaintiff Recovery: This Notice advises you of a proposed partial settlement (the "Settlement") consisting of $97.5 million in cash, plus interest as it accrues, of a consolidated class action lawsuit brought by the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio and Ohio Police & Fire Pension Fund (collectively, "Lead Plaintiff" or "the Ohio State Funds"), on behalf of the Settlement Class against PricewaterhouseCoopers LLP ("PwC") (the Lead Plaintiff and PwC collectively, the "Settling Parties") and 20 other defendants whose claims are not being settled. This Settlement is a final resolution of the Claims brought on behalf of the Settlement Class against PwC.

The action alleges, among other things, that during the Class Period, defendants made materially false and misleading statements and omissions in connection with the involvement of American International Group, Inc. ("AIG") in an illegal market division scheme with Marsh McLennan ("Marsh") and others, as well as a far-reaching accounting fraud that led to AIG's $3.9 billion restatement or adjustment of earnings in May 2005. The Consolidated Third Amended Complaint ("Complaint") alleges violations of Sections 11 and 15 of the Securities Act of 1933 (the "Securities Act") and Sections 10(b), 20(a), and 20A of the Securities Exchange Act of 1934 (the "Exchange Act") and SEC Rule 10b-5 promulgated thereunder (the "Action").

The Settlement will resolve all claims against PwC and will create a Cash Settlement Account to pay the claims of investors who purchased or otherwise acquired AIG's publicly-traded common stock, debt and options during the Class Period. (*See* below at page 4 for more information about eligible "AIG Securities.") The Distribution Amount (the Cash Settlement Account less any Notice and Administrative Expenses, attorneys' fees and litigation expenses awarded to Lead Plaintiff's counsel, expenses awarded to Lead Plaintiff and certain Tax Expenses) will be distributed in accordance with a plan of allocation (the "Plan of Allocation"). Based on Lead Plaintiff's damages consultant's estimate of the number of shares of common stock entitled to participate in the Settlement, given the allocation of 5% of the recovery to debt purchasers and assuming that all shares entitled to participate do so, Lead Plaintiff estimates that the average recovery per damaged share would be approximately $0.06 per share, before deduction of any court-awarded fees and expenses.[1] An individual Class Member's actual recovery will depend on many factors, for example: (1) the total number of claims submitted; (2) when the Class Member purchased AIG Securities during the Class Period; (3) the purchase price paid; (4) the type of security bought; and (5) whether those AIG Securities were held at the end of the Class Period or sold during the Class Period (and, if sold, when they were sold and the amount received). *See* the Plan of Allocation beginning on page 8 for more information on your potential Recognized Loss.

[1] An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

2. Reasons for Settlement: The Settlement resolves claims against PwC, AIG's outside auditor during the Class Period, for allegedly violating the federal securities laws by making false and misleading public statements about AIG and its financial condition. However, the Settlement is not and should not be construed as an admission of any fault, liability or wrongdoing whatsoever by PwC. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff believes that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. Lead Plaintiff believes that the Settlement provides a substantial benefit in the form of $97.5 million in cash (less the various deductions described in this Notice), as compared to the risks and delays of proceeding with the Action against PwC. These risks include the fact that there is no assurance that Lead Plaintiff would recover as much as was achieved in this Settlement at a later stage in the litigation. Moreover, even if the case were to proceed and a later recovery obtained, it would take several more years of discovery, motion practice, trial and further appeals to obtain such a recovery, during which time PwC would have the opportunity to assert substantial defenses to the claims asserted against it. The risks also include that PwC could prevail in the Action, in which case Lead Plaintiff would obtain no recovery at all from PwC.

3. Statement of Potential Outcome if the Case Against PwC Continued: The Settling Parties do not agree on the average amount of damages per share that would be recoverable even if Lead Plaintiff was to prevail on the claims asserted against PwC. PwC denies all liability. In addition, the Settling Parties disagree on, among other things: (i) whether certain statements made by PwC were false; (ii) whether PwC knew, or was severely reckless in not knowing, that certain of its statements and omissions about AIG were false or misleading; (iii) whether the alleged misstatements and omissions were material to investors; and (iv) the amount of inflation, if any, caused by the alleged misrepresentations and omissions.

4. Statement of Attorneys' Fees and Expenses Sought: Lead Plaintiff's counsel, Labaton Sucharow LLP and Hahn Loeser & Parks LLP, intend to apply for an award of attorneys' fees on behalf of all plaintiffs' counsel not to exceed 9% of the Cash Settlement Account, which will include interest as it accrues, and to seek reimbursement of litigation expenses paid and incurred in connection with the prosecution and resolution of the claims against PwC (the "Litigation Expenses"), in an amount not to exceed $6 million. In addition, Lead Plaintiff may ask the Court to reimburse it from the Cash Settlement Account for costs and expenses it incurred directly related to its representation of the Settlement Class, in an amount not to exceed $30,000. If the Court approves Lead Plaintiff's counsel's fee and expense application and Lead Plaintiff's application, the average cost per share will be less than $0.01 per share.

5. Further Information: Further information regarding the Settlement and this Notice may be obtained by contacting the claims Administrator: *In re AIG Securities Litigation – PwC Settlement*, c/o Complete Claim Solutions, LLC, P.O. Box 9417, Minneapolis, MN 55440-9417, (888) 356-0263, www.AIGSecuritiesLitigationPwCSettlement.com; or Counsel: Labaton Sucharow LLP, 140 Broadway, NY, NY 10005, (866) 779-0843, www.labaton.com. Please Do Not Call the Court or PwC With Questions About the Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY JANUARY 28, 2009	The only way to get a payment.
EXCLUDE YOURSELF BY DECEMBER 30, 2008	Get no payment and remove yourself from the Settlement Class. This is the only option that allows you to ever bring or be part of any *other* lawsuit against PwC and the other "Released Persons" about the "Released Claims."
OBJECT BY DECEMBER 30, 2008	Write to the Court about why you do not like the Settlement. You will still be a member of the Class.
GO TO A HEARING ON JANUARY 20, 2009	Ask to speak in Court about the Settlement at the Fairness Hearing.
DO NOTHING	Get no payment. Give up rights.

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Why did I get this notice?

You or someone in your family may have purchased or acquired publicly-traded securities issued by AIG during the period from October 28, 1999 through April 1, 2005, inclusive. The Court sent you this Notice because, as a potential Class Member, you have a right to know about the proposed Settlement of the claims asserted in this Class Action against PwC and your options before the Court determines whether to approve the Settlement. If the Court approves the Settlement, after all objections and appeals are resolved, a claims administrator (the "Administrator") will make payments pursuant to the terms of the Settlement.

The Court in charge of this case is the United States District Court for the Southern District of New York and the case is known as *In re American International Group, Inc. Securities Litigation*, Master File No. 04-8141 (JES). The Lead Plaintiff filed this lawsuit on behalf of itself and as representative of the Settlement Class. The entities and people who are being sued, other than PwC are: AIG; Maurice R. Greenberg; Howard I. Smith; Martin J. Sullivan; Thomas R. Tizzio; Michael J. Castelli; Christian M. Milton; L. Michael Murphy; John A. Graf; Frank J. Hoenemeyer; Eli Broad; Starr International Company, Inc.; C.V. Starr & Co., Inc.; Richmond Insurance Company Ltd.; General Reinsurance Corp.; Ronald E. Ferguson; John B. Houldsworth; Richard Napier; Wachovia Securities, Inc.; Merrill Lynch & Co. (the "Non-Settling Defendants").

All the claims against the Non-Settling Defendants are continuing to be litigated.

This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how you may receive your portion of the benefits. The purpose of this Notice is to inform you of the terms of the proposed Settlement and of a hearing to be held by the Court to consider the Settlement (the "Fairness Hearing").

The Fairness Hearing will be held at 3:00 pm on January 20, 2009 before the Honorable John E. Sprizzo, in the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, to determine:

(a) Whether the proposed Settlement is fair, reasonable and adequate and should be approved by the Court;

(b) Whether the claims against PwC should be dismissed with prejudice as set forth in the Agreement of Compromise and Settlement (the "Stipulation");

(c) Whether the proposed Settlement Class should be certified and Lead Plaintiff be appointed as Class Representative;

(d) Whether the proposed Plan of Allocation for distributing the Settlement to Class Members is fair and reasonable and should be approved;

(e) Whether the application by Lead Plaintiff's counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved; and

(f) Whether the application by Lead Plaintiff for reimbursement of its costs and expenses should be approved.

The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payment will be made after all appeals, if any, are resolved and after the completion of all claims processing. Please be patient.

How do I know if I am part of this Settlement?

You are part of this Settlement if you are within the definition of the Settlement Class and you do not take steps to exclude yourself. The Settlement Class covered by this settlement consists of: all persons who purchased or otherwise acquired AIG Securities during the period from October 28, 1999 through April 1, 2005, inclusive, including all persons and entities who held the common stock of HSB Group, Inc. ("HSB") at the time HSB was acquired by AIG in a stock for stock transaction, and all persons and entities who held the common stock of American General Corporation ("AGC") at the time AGC was acquired by AIG in a stock for stock transaction, and who were damaged thereby, excluding persons who make timely and valid requests for exclusion from the class. (*See* the Plan of Allocation for more information about eligible securities.)

"AIG Securities" means any and all publicly-traded securities issued by American International Group, Inc., whether debt or equity securities, including, without limitation, AIG common stock, the Zero Coupon Convertible Senior Debentures referenced in paragraph 189 of the Complaint, the 0.5% Cash Exchangeable Equity-Linked Senior Notes referenced in paragraph 193 of the Complaint, the 2.85% Medium-Term Notes, Series F referenced in paragraph 203 of the Complaint, the 2.875% Notes (144A securities) referenced in paragraph 212 of the Complaint that were exchanged into registered like coupon bonds and the 4.25% Notes (144A securities) referenced in paragraph 217 of the Complaint that were exchanged into registered like coupon bonds. Options on AIG common stock are included in this definition.

Excluded from the Settlement Class are the defendants in the Action, members of the immediate families of the individual defendants, any parent, subsidiary, affiliate, officer, or director of defendant AIG, any entity in which any excluded person has a controlling interest, and the legal representatives, heirs, successors and assigns of any excluded person. Also excluded from the Settlement Class are any persons who exclude themselves by timely filing a request for exclusion in accordance with the requirements set forth below. (*See* "What if I do not want to participate in the Settlement? How do I exclude myself?")

RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A MEMBER OF THE SETTLEMENT CLASS OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT.

IF YOU WISH TO RECEIVE PROCEEDS FROM THE SETTLEMENT,
YOU MUST SUBMIT A PROOF OF CLAIM FORM BY JANUARY 28, 2009

What recovery does the Settlement provide?

In exchange for the Settlement and dismissal of the Released Claims, PwC has agreed to fund a $97.5 million (before interest) account to be divided, after deduction of Court-awarded attorneys' fees and expenses, Lead Plaintiff expenses, Notice and Administrative Expenses, and any applicable taxes, ("Distribution Amount") among all Class Members who timely submit valid Proof of Claim forms that show a Recognized Loss. Your share of the fund will depend on several things, including: (1) the amount of Recognized Losses of other Class Members who file valid Proofs of Claim; (2) how many AIG Securities you bought; (3) how much you paid for them; (4) the type of security bought; (5) when you bought them; (6) whether or when you sold them (and, if so, for how much you sold them).

Your Recognized Loss will be calculated according to the formulas shown below in the Plan of Allocation. It is unlikely that you will get a payment for your entire Recognized Loss, given the number of potential Class Members with Recognized Losses. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a portion of the Distribution Amount equal to your Recognized Loss divided by the total of all Class Members' Recognized Losses and multiplied by the total Distribution Amount. (*See* the Plan of Allocation beginning on page 8 for more information.)

Once all the Proofs of Claim are processed and claims are calculated, Lead Plaintiff's counsel, without further notice to the Settlement Class, will apply to the Court for an order distributing the Distribution Amount to the members of the Settlement Class. Counsel will also ask the Court to approve payment of the Administrator's fees and expenses incurred in connection with administering the Settlement that have not already been reimbursed.

Why is there a Settlement? What are Lead Plaintiff's reasons for the Settlement?

Under the proposed Settlement, the Court will not decide the merits of the claims in the Action in favor of either the Lead Plaintiff or PwC. By agreeing to a Settlement, both the Lead Plaintiff and PwC avoid the costs and risks of litigating the claims against PwC. By accepting the Settlement, Class Members will be compensated immediately for the PwC claims. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff believes that the proposed Settlement is fair, reasonable and adequate and in the best interest of Class Members.

Lead Plaintiff and Lead Plaintiff's counsel believe that the claims asserted against PwC have merit. However, they recognize the risks of, expense of and delay associated with the continued prosecution of the claims against PwC in the Action. PwC has denied and continues to deny each and every allegation of liability or wrongdoing or damage to the Settlement Class or any member thereof, and believes that it acted properly and lawfully at all times, and believes that any claims against it are without merit. Lead Plaintiff and their counsel have taken into account the issues that would have to be decided by a jury including: (i) whether each of the alleged misrepresentations and omissions made by PwC was false; (ii) if false, whether each of those misrepresentations and omissions by PwC was material; (iii) whether PwC acted knowingly or recklessly in making the alleged misrepresentations and omissions; and (iv) the amount of any damages, if any, caused by the alleged misrepresentations and omissions by PwC. Lead Plaintiff and Lead Plaintiff's counsel have also considered the uncertain outcome and trial risk in complex lawsuits like this one. Lead Plaintiff believes that a recovery now will provide an immediate benefit to Class Members, which is superior to the risk of proceeding with the claims against PwC. Considering these factors and balancing them against the certain and substantial benefits that the Settlement Class will receive as a result of the Settlement, Lead Plaintiff and Lead Plaintiff's counsel determined that the Settlement described herein is fair, reasonable and adequate, and that it is in the best interests of the Settlement Class to settle the claims against PwC on the terms set forth in the Stipulation and this Notice.

What might happen if there were no Settlement?

If there were no settlement of the claims against PwC and Lead Plaintiff failed to establish any essential legal or factual element of its claims, neither it nor the Settlement Class would recover anything from PwC. Also, if PwC was successful in proving any of its defenses, the Settlement Class likely would recover substantially less than the amount provided in the Settlement, if anything at all.

Do I have a lawyer in the case? How will the lawyers be paid?

The Court appointed the law firms of Labaton Sucharow LLP in New York, New York and Hahn Loeser & Parks LLP in Cleveland, Ohio to represent the proposed class. You will not be separately charged for the work done by the lawyers who worked on this lawsuit. If you want to be represented by your own lawyer, you may hire one at your own expense.

The Court will determine the amount (if any) of Lead Plaintiff's attorneys' fees and expenses, which will be paid from the Cash Settlement Account. Any attorneys' fees awarded to Lead Plaintiff's counsel will be distributed, in part, to additional counsel who worked on this lawsuit under the supervision and direction of Lead Plaintiff's counsel based upon the amount, quality and importance of work they performed. Lead Plaintiff estimates that in the aggregate such amount will be less than 10% of the total attorneys' fees awarded by the Court.

Lead Plaintiff's counsel has not received any payment for its services in pursuing claims against PwC on behalf of the Settlement Class, nor has it been reimbursed for its considerable out-of-pocket Litigation Expenses. In this type of litigation, it is customary for counsel to be awarded a percentage of the settlement fund recovered as its attorneys' fees, and to receive reimbursement of the expenses advanced in the prosecution of the action. Lead Plaintiff's counsel intends to apply to the Court for an award of attorneys' fees not to exceed 9% of the Cash Settlement Account, including any interest, in connection with this Settlement. Lead Plaintiff's counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed $6 million. In addition, Lead Plaintiff the Ohio State Funds intends to apply for reimbursement of its costs and expenses incurred related to its representation of the Settlement Class in an amount not to exceed $30,000. If the applications for attorneys' fees and reimbursement of expenses is approved by the Court, the average cost per share would be less than $0.01.

The fee requested by Lead Plaintiff's counsel would compensate it for its efforts in achieving the Settlement for the benefit of the Settlement Class and for its risk in undertaking this representation on a contingency basis. The fee requested is within the range of fees awarded to plaintiffs' counsel under similar circumstances in litigation of this type. NEITHER THE COURT NOR THE DEFENDANTS HAVE EXPRESSED ANY OPINION ON THE APPLICATION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES.

What rights am I giving up by agreeing to the Settlement?

If the Settlement is approved, the Court will enter a Final Judgment (the "Judgment") ending all the claims against PwC and precluding Class Members from continuing to litigate the claims against PwC. (The claims against the Non-Settling Defendants will continue.) The Judgment will (i) dismiss the claims against PwC with prejudice; and (ii) provide that Lead Plaintiff and all other Class Members, except those who validly and timely request to be excluded from the Settlement Class, shall, upon the Effective Date (as defined in the Stipulation) of the Settlement, on behalf of themselves and/or each of their respective divisions, agencies, instrumentalities, branches, subsidiaries, parent companies, affiliates, associates, representatives, predecessors, successors, heirs, owners, assigns, executors and/or administrators fully, finally and forever release, relinquish, acquit, and discharge the Released Persons from the Released Claims. The release also constitutes an express waiver and relinquishment, to the fullest extent permitted by law of: (a) the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides that: A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor; and (b) the provisions, right and benefits of any similar statute or common law of any other jurisdiction that may be, or may be asserted to be, applicable.

"Released Claims" means and includes any and all Claims, known or unknown, suspected or unsuspected, asserted or unasserted, that Lead Plaintiff, the Class or Class Members, and/or each of their respective divisions, agencies, instrumentalities, branches, subsidiaries, parent companies, affiliates, associates, representatives, predecessors, successors, heirs, owners, assigns, executors and/or administrators ever had, now have or hereafter can, shall or may have against the Released Persons, related in any way to any professional services that PwC performed or was engaged to perform for AIG that are raised or referred to in the Complaint or related in any way to the financial statements of AIG or any of its subsidiaries for fiscal years 1999 through 2004 or any restatement thereof, including, but not limited to, the Claims asserted against PwC in the Complaint.

The Stipulation defines "Claims" as any and all claims, rights or causes of action, demands, attorneys' fees, costs, obligations, controversies, debts, damages, losses or liabilities of any kind whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation (whether foreign or domestic), including known and unknown, accrued and not accrued, foreseen and unforeseen, matured and not matured.

The "Released Persons" means PricewaterhouseCoopers LLP ("PwC") and/or its divisions, subsidiaries, parent companies, affiliates, connected firms, associates, representatives, predecessors, successors, heirs, owners, assigns, executors, administrators, and/or its present, former or future directors, agents, partners, principals, officers, employees, trustees, servants, attorneys, shareholders and/or representatives of the foregoing, and each of them. "Released Persons" shall include PricewaterhouseCoopers International Limited, any member firm, network firm, specified subsidiary or connected firm of PricewaterhouseCoopers International Limited, and any other entity or partnership (whether or not incorporated) which carries on business under a name which includes all or part of the PricewaterhouseCoopers name or is otherwise within (directly or indirectly) the worldwide network of PricewaterhouseCoopers firms.

The Judgment will also provide that PwC fully, finally and forever releases, relinquishes, acquits and discharges the Lead Plaintiff, the Settlement Class, Class Members and Lead Plaintiff's counsel from any Claims which PwC ever had, now has or hereafter can, shall or may have against Lead Plaintiff and Lead Plaintiff's counsel, which arise out of or relate in any way to the institution or prosecution (to the Effective Date) of the Action.

Also, the Judgment will contain bar order provisions precluding the Non-Settling Defendants from being able to bring claims in the future seeking relief such as contribution and indemnification against the Released Persons. Also, the Non-Settling Defendants will be able to get a judgment credit related to this Settlement if the Action against them results in a judgment.

What is this case about?

This Action arises from, among other things, allegedly material misstatements and omissions made by defendants PwC, AIG and others in connection with AIG's involvement in an illegal market division scheme with Marsh and others in the insurance industry, as well as a far-reaching accounting fraud scheme that led to AIG's $3.9 billion restatement or adjustment of earnings in May 2005. At the end of the Class Period, the price of AIG's stock dropped significantly when these frauds were disclosed, resulting in alleged damages to the Settlement Class.

Specifically, on October 14, 2004, there were disclosures concerning AIG's involvement in a market division scheme that included its payment of allegedly improper "steering" contingent commissions to, and illegal rigging of bids with, Marsh and others in the insurance industry. There were also disclosures in February, March and April 2005 of a massive accounting fraud at AIG that resulted in the Company restating or adjusting nearly four years of earnings and, *inter alia*, slashing net income by $3.9 billion.

The consequences of these disclosures includes AIG's payment of nearly $1.6 billion to settle claims relating to the market division and accounting fraud brought by federal and state regulators, including the Securities and Exchange Commission, Department of Justice, and the Office of the New York Attorney General. However, the government did not sue PwC, which still serves as AIG's outside auditor today.

Lead Plaintiff contends that, during the Class Period, PwC certified the accuracy and completeness of AIG's financial statements even though PwC knew – or was reckless in not knowing – that those financial statements were not in compliance with Generally Accepted Accounting Principles.

PwC denies all wrongdoing alleged by Lead Plaintiff and the Settlement is not and may not be construed or deemed to be evidence of, or an admission or a concession on the part of PwC, of any fault or liability whatsoever or of any infirmity in any defenses it has asserted or intended to assert, or of the merits of Lead Plaintiff's claims. PwC, while affirmatively denying wrongdoing, fault and liability, considers it desirable and in its best interest that the claims against PwC in the Action be dismissed under the terms of the proposed Settlement in order to avoid further expense, uncertainty and distraction, and protracted litigation.

What has happened in this case so far?

After the first alleged disclosures about the market division fraud were reported to the public on October 14, 2004, ten class action complaints were filed against AIG and others (but not PwC), and the cases were transferred to Judge Laura Taylor Swain. The complaints included class periods of October 28, 1999 to October 15, 2004, and alleged Section 10(b) claims. After hearing fully-briefed motions regarding appointment of a lead plaintiff and lead counsel to pursue the proposed class action, Judge Swain, by order dated February 7, 2005, appointed the Ohio State Funds as Lead Plaintiff; appointed Labaton Sucharow (at the time known as Goodkind Labaton Rudoff & Sucharow LLP) and Hahn Loeser & Parks LLP as Lead Plaintiff's counsel.

On April 19, 2005, Lead Plaintiff filed a Consolidated First Amended Complaint, which included claims based on both the market division fraud and the accounting fraud, alleged a class period of October 28, 1999 through March 30, 2005, named additional defendants, including PwC, and added claims under Section 11 and 15 of the Securities Act.

On May 16, 2005, the San Francisco Employees' Retirement System filed a separate, purportedly new securities class action complaint against AIG and others that alleged causes of action based solely on the accounting frauds disclosed in the spring of 2005. After reviewing motions on the appointment of Lead Plaintiff related to this claim, the Court held a hearing on July 18, 2005 and found that the Ohio State Funds would serve as the Lead Plaintiff for all the claims at issue.

Between November and December 2005 defendants in the Action filed motions to dismiss the Action in its entirety, submitting hundreds of pages of briefing and affidavits. The Court denied all of these motions, except one, in April and May 2006. After the denial of the motions, Lead Plaintiff, the Ohio State Funds, and Lead Counsel began to conduct formal discovery into the facts of the case. (Prior to filing its first complaint, Lead Plaintiff's counsel had engaged in a thorough investigation of the publicly available information about the claims, including contact with former employees of AIG and the other defendants.) Defendants and approximately 42 non-parties have produced approximately 45 million pages of documents, which includes more than 28 million pages produced by PwC. Counsel for Lead Plaintiff has reviewed and analyzed virtually all of the documents produced to date. In addition, Lead Plaintiff has taken more than a dozen fact depositions to date.

On February 20, 2008, Lead Plaintiff moved to certify a litigation class in the Action. In connection with that motion, the Ohio State Funds produced more than 267,000 pages of documents to defendants, and more than 14 witnesses from the Ohio State

Funds and their 10 external investment advisers have been deposed. On August 20, 2008, AIG submitted its opposition to class certification and on September 23, 2008, all non-settling defendants submitted their opposition papers. Lead Plaintiff must reply to the opposition briefs and the Court has scheduled a hearing to determine whether the entire Action should be certified for litigation purposes.

As noted above, Lead Plaintiff and PwC have now reached an agreement to settle the claims against PwC in the Action on terms that are summarized here. Lead Plaintiff and PwC, through their counsel, have engaged in substantial arm's-length negotiations in an effort to resolve all claims that have been or could have been asserted in the Action against PwC. Lead Plaintiff's counsel and PwC's counsel have conducted numerous meetings and conferences, including multiple mediation sessions before a former federal judge who acted as an independent mediator, in which the terms of the Settlement detailed here were negotiated.

How much will my payment be?

THE PROPOSED PLAN OF ALLOCATION – GENERAL PROVISIONS

PwC has agreed to pay $97.5 million in cash (the "Cash Settlement Account"). After approval of the Settlement by the Court and upon satisfaction of the other conditions to the Settlement, the Distibution Amount (the Cash Settlement Account less any taxes, court-awarded attorneys' fees and expenses, court-awarded Lead Plaintiff's expenses and administration costs), will be distributed to Class Members who timely submit valid Proofs of Claim establishing "Recognized Losses" according to the Plan of Allocation described below.

To the extent there are sufficient funds in the Distribution Amount, each Authorized Claimant will receive an amount equal to the Authorized Claimant's allowable Recognized Loss, as defined below. If, however, the Distribution Amount is not sufficient to permit payment of the total of all Recognized Losses, then each Authorized Claimant will be paid the percentage of the Distribution Amount that each Authorized Claimant's Recognized Claim bears to the total of the claims of all Authorized Claimants ("pro rata share") that received either debt or equity securities. You will be eligible to participate in the distribution only to the extent you have a net loss on your transactions in AIG debt securities, or on your combined transactions in AIG common stock and options. Payment in this manner will be deemed conclusive against all Authorized Claimants.

For all purposes, the transaction date and not the settlement date shall be used as the date for determining inflation per share and eligibility to file a claim. All purchases and sales of AIG Securities shall be accounted for and matched using the first-in-first-out (FIFO) method of accounting. Gifts and transfers of securities are not eligible purchases. The covering purchase of a "short" sale is not an eligible purchase.

The Plan of Allocation is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor is it to estimate the amount that will be paid to Authorized Claimants. The Plan of Allocation is the basis upon which the Distribution Amount will be proportionately divided among all the Authorized Claimants. The Court will be asked to approve the Administrator's determinations before the Distribution Amount is distributed to Authorized Claimants. No distributions to Authorized Claimants who would receive less than $10.00 will be made, given the administrative expenses of processing and mailing such checks.

There will be no distribution of the Distribution Amount until a Plan of Allocation is finally approved and affirmed on appeal (if an appeal is filed) and the time for any petition for rehearing, appeal or review, whether by *certiorari* or otherwise, has expired. PwC is not entitled to get back any of the settlement consideration after the Effective Date. Moreover, the Released Persons have no liability, obligation or responsibility for the administration of the Settlement or disbursement of the Distribution Amount.

Each person wishing to participate in the distribution must timely submit a valid claim form and all required documentation **postmarked no later than January 28, 2009**, to the address listed below and set forth in the Proof of Claim form that accompanies this Notice. The Proof of Claim form includes a general release of each of the Released Defendant Parties. *See* the section called "How do I participate in the settlement? What do I need to do?" below.

The Court has reserved jurisdiction to allow, disallow or adjust on equitable grounds the Claim of any Class Member. The Court also reserves the right to modify the Plan of Allocation without further notice to Class Members. Payment pursuant to the Plan of Allocation approved by the Court shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, their counsel, the Administrator or other agents designated by counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court.

THE PROPOSED PLAN OF ALLOCATION - CALCULATION OF RECOGNIZED LOSS AMOUNT

Calculation of Recognized Loss for AIG Common Stock Purchases

Calculation of Recognized Loss Claims for AIG common shares shall be as follows:

For shares purchased or acquired on or between October 28, 1999 through April 1, 2005, the following Recognized Losses shall be allowed:

a. For each share sold on or between October 28, 1999 and October 13, 2004, the Recognized Loss shall be 10% of the difference between the inflation per share at the time of purchase for the applicable date of purchase less the inflation per share at the time of sale. Inflation per share shall be determined at each transaction date based on the percentage inflation applicable to that date as set forth in Table 1 times the price paid or received excluding any commission, fees or other adjustments;

b. For each share sold on or between October 14, 2004 and April 1, 2005, the Recognized Loss shall be the inflation per share at the time of purchase for the applicable date of purchase less the inflation per share at the time of sale. Inflation per share shall be determined at each transaction date based on the percentage inflation applicable to that date as set forth in Table 1 times the price paid or received excluding any commission, fees or other adjustments; and

c. For each share sold after April 1, 2005, the Recognized Loss shall be the inflation per share at the time of purchase. Inflation per share shall be determined at the purchase transaction date based on the percentage inflation applicable to that date as set forth in Table 1 times the purchase price excluding all fees, commissions and other adjustments.

In addition to the annexed Table 1 relating to Section 10(b) AIG common stock claims, the Recognized Loss for such shares purchased or acquired during the Class Period shall be limited (as provided for under the Private Securities Litigation Reform Act "PSLRA") to the smallest of the following: (i) the difference between the price paid and the price received (out-of-pocket investment loss) if sold on or before April 1, 2005; (ii) the difference between the price paid (excluding all fees and commissions) and the average closing price as set forth in Table 2 below if sold between April 4, 2005 and June 29, 2005; or (iii) the difference between the price per share paid and $53.70 per share if the shares were held on the close of business on June 29, 2005.

Table 1: Inflation per Share Percentage and Averages Over Identified Time Periods

Period	Begin Date	End Date	Inflation Percentage	Avg. AIG Price	Avg. AIG Value	Avg. Inflation
1	10/28/99	2/7/01	9.62%	$ 80.22	$ 72.50	$ 7.72
2	2/8/01	4/1/01	11.14%	$ 81.28	$ 72.22	$ 9.05
3	4/2/01	4/25/01	13.37%	$ 78.39	$ 67.91	$ 10.48
4	4/26/01	10/13/04	14.82%	$ 67.81	$ 57.76	$ 10.05
5	10/14/04	10/14/04	12.69%	$ 60.00	$ 52.39	$ 7.61
6	10/15/04	3/16/05	11.18%	$ 64.84	$ 57.59	$ 7.25
7	3/17/05	3/29/05	8.50%	$ 57.77	$ 52.86	$ 4.91
8	3/30/05	3/30/05	6.00%	$ 57.16	$ 53.73	$ 3.43
9	3/31/05	3/31/05	3.33%	$ 55.41	$ 53.56	$ 1.85
10	4/1/05	4/3/05	-3.85%	$ 50.95	$ 52.91	$ (1.96)
11	4/4/05	6/29/05	0.00%	$ 53.75	$ 53.75	$ -

Table 2: PSLRA Loss Limitation Table for AIG Common Shares

Date	AIG Closing Price	Avg. AIG Closing Price
4/1/2005	$ 50.95	$ 50.95
4/4/2005	$ 53.30	$ 52.13
4/5/2005	$ 53.00	$ 52.42
4/6/2005	$ 52.99	$ 52.56
4/7/2005	$ 52.76	$ 52.60
4/8/2005	$ 51.91	$ 52.49

Date	AIG Closing Price	Avg. AIG Closing Price
5/16/2005	$ 52.81	$ 52.33
5/17/2005	$ 53.38	$ 52.36
5/18/2005	$ 53.25	$ 52.39
5/19/2005	$ 53.00	$ 52.41
5/20/2005	$ 53.76	$ 52.45
5/23/2005	$ 53.45	$ 52.47

Date	AIG Closing Price	Avg. AIG Closing Price
4/11/2005	$ 52.10	$ 52.43
4/12/2005	$ 53.20	$ 52.53
4/13/2005	$ 51.61	$ 52.42
4/14/2005	$ 51.39	$ 52.32
4/15/2005	$ 51.11	$ 52.21
4/18/2005	$ 51.26	$ 52.13
4/19/2005	$ 51.58	$ 52.09
4/20/2005	$ 51.01	$ 52.01
4/21/2005	$ 51.90	$ 52.00
4/22/2005	$ 50.35	$ 51.90
4/25/2005	$ 51.76	$ 51.89
4/26/2005	$ 51.07	$ 51.85
4/27/2005	$ 51.85	$ 51.85
4/28/2005	$ 51.14	$ 51.81
4/29/2005	$ 50.85	$ 51.77
5/2/2005	$ 53.44	$ 51.84
5/3/2005	$ 53.30	$ 51.91
5/4/2005	$ 54.37	$ 52.01
5/5/2005	$ 53.92	$ 52.08
5/6/2005	$ 54.14	$ 52.16
5/9/2005	$ 54.58	$ 52.25
5/10/2005	$ 53.27	$ 52.29
5/11/2005	$ 53.21	$ 52.32
5/12/2005	$ 52.48	$ 52.33
5/13/2005	$ 52.05	$ 52.32

Date	AIG Closing Price	Avg. AIG Closing Price
5/24/2005	$ 53.80	$ 52.51
5/25/2005	$ 54.08	$ 52.55
5/26/2005	$ 55.71	$ 52.63
5/27/2005	$ 56.40	$ 52.72
5/31/2005	$ 55.55	$ 52.79
6/1/2005	$ 56.10	$ 52.86
6/2/2005	$ 55.89	$ 52.93
6/3/2005	$ 55.09	$ 52.98
6/6/2005	$ 54.85	$ 53.02
6/7/2005	$ 55.23	$ 53.07
6/8/2005	$ 54.95	$ 53.11
6/9/2005	$ 55.55	$ 53.16
6/10/2005	$ 55.09	$ 53.20
6/13/2005	$ 55.50	$ 53.24
6/14/2005	$ 55.57	$ 53.29
6/15/2005	$ 55.41	$ 53.33
6/16/2005	$ 55.23	$ 53.36
6/17/2005	$ 55.55	$ 53.40
6/20/2005	$ 55.68	$ 53.44
6/21/2005	$ 56.29	$ 53.49
6/22/2005	$ 55.95	$ 53.53
6/23/2005	$ 55.20	$ 53.56
6/24/2005	$ 54.54	$ 53.58
6/27/2005	$ 55.03	$ 53.60
6/28/2005	$ 55.17	$ 53.63
6/29/2005	$ 58.48	$ 53.70

Calculation of Recognized Loss for AIG Call and Put Options

The AIG Options entitled to recover shall include all purchased AIG Call Options (excluding AIG Call Options purchased to cover or offset a previously sold, or written AIG Call Option) and all initially sold, or written, AIG Put Options (excluding those AIG Put Options sold, or written, to cover or otherwise offset a previously purchased AIG Put Option) during the period from October 28, 1999 through April 1, 2005.

Artificial inflation and Recognized Losses as to AIG Call Options and artificial deflation and Recognized Losses as to AIG Put Options will be computed based on the artificial inflation in AIG's common stock as described above. To determine artificial inflation for AIG Call Options and artificial deflation for AIG Put Options, Lead Plaintiff's damages consultant considered these securities' price changes that occurred in reaction to certain public announcements regarding AIG and then made adjustments for changes that were attributable to market forces unrelated to the alleged fraud in prices of such call and put options. Lead Plaintiff's damages consultant then developed formulas (see below) from which the Recognized Losses for AIG Call and Put Options may be calculated.

AIG Call Options

With respect to purchases and sales (covers) of AIG Call Options during the period from October 28, 1999 through April 1, 2005, the artificial inflation per Option on a given day shall be the dollar reduction in the value of the AIG Call Option with the same exercise (or strike price) and same date of expiration on that day as a result of the inflation in AIG's common share price at the close of trading. The dollar reduction in the value of Call Options will be calculated using the Black-Scholes call option pricing formula (using the implied volatility for an at-the-money call option, annual dividend yield, and the appropriate annual interest rate on that day as set forth in Summary Table 3 below) and the closing share price of AIG common stock on the transaction date ("AIG Price" as set forth in Summary Table 3) compared with the Black-Scholes call option pricing formula value for the Call Option using the uninflated share closing share price of AIG common stock ("AIG True Value" as set forth in Summary Table 3) on that same date. (A more detailed version of Table 3 setting forth the closing price, volatility, interest rate and dividend yield assumptions by date is available for downloading at www.AIGSecuritiesLitigationPwCSettlement.com or www.labaton.com.)

A. For such Call Options which (1) expired prior to October 14, 2004; (2) were exercised prior to October 14, 2004; or (3) were sold (or the position was otherwise closed out) prior to October 14, 2004, the Recognized Loss shall be 10% times that number of options multiplied by the lesser of:

   (1) the difference between artificial inflation per Call Option on the date of purchase and artificial inflation per Call Option on the date of expiration, exercise, or sale, as appropriate; or

   (2) the difference between the purchase price per option and the sale price or value realized upon exercise or expiration per option ($0.00 if the call option expired worthless).

B. For such Call Options which (1) expired after October 13, 2004 and on or before April 1, 2005; (2) were exercised for cash (or the shares immediately sold) on or between October 14, 2004 and April 1, 2005; or (3) were sold (position closed out) on or between October 14, 2004 and April 1, 2005, the Recognized Loss shall be that number of options multiplied by the lesser of:

   (1) the difference between artificial inflation per Call Option on the date of purchase and artificial inflation per Call Option on the date of expiration, exercise, or sale, as appropriate; or

   (2) the difference between the purchase price per option and the sale price or value realized upon exercise or expiration per option ($0.00 if the call option expired worthless).

C. For such Call Options which (1) expired worthless after October 14, 2004 or (2) were retained at the end of trading on April 1, 2005, the Recognized Loss shall be that number of options multiplied by the lesser of:

   (1) the artificial inflation per Call Option on the date of purchase; or

   (2) the difference between the purchase price per option and the sale or realized proceeds price per option ($0.00 if the call option expired worthless).

AIG Put Options

With respect to AIG Put Options written or purchased (covered) during the period from October 28, 1999 through April 1, 2005, the artificial deflation per AIG Put Option on a given day shall be the dollar decrease in the value of an AIG Put Option with the same exercise price and expiration date as the subject option at the close of trading on that day as a result of the inflation in AIG's common share price. The dollar decrease (artificial deflation) in the value of the Put Option will be calculated using the Black-Scholes put option pricing formula (using the implied volatility for an at-the-money put option, annual dividend yield, and annual interest rate on that day set forth in Summary Table 3 below) and the closing share price of AIG common stock on the transaction date ("AIG Price" as set forth in Summary Table 3) compared with the Black-Scholes pricing formula value for the Put Option using the uninflated share closing share price of AIG common stock ("AIG True Value" as set forth in Summary Table 3) on that same date.

A. For such Put Options which (1) expired prior to October 14, 2004; (2) were exercised prior to October 14, 2004; or (3) were purchased/covered (position closed out) prior to October 14, 2004, the Recognized Loss shall be 10% times that number of options multiplied by the lesser of:

   (1) the difference between artificial deflation per Put Option on the date the option was written and artificial deflation per Option on the date of expiration, exercise, or purchase, as appropriate; or

   (2) the difference between the purchase price, exercise price, or expiration price per option paid ($0.00 if the put option expired worthless) and the written price per option received.

B. For such initially written (sold) Put Options which (1) expired after October 13, 2004 and on or before April 1, 2005; (2) were exercised on or between October 14, 2004 and April 1, 2005; or (3) were purchased/covered (position closed out) on or between October 14, 2004 and April 1, 2005, the Recognized Loss Claim shall be that number of options multiplied by the lesser of:

   (1) the difference between artificial deflation per Put Option on the date the option was written and artificial deflation per Option on the date of expiration, exercise, or purchase, as appropriate; or

   (2) the difference between the purchase price, exercise price, or expiration price per option paid ($0.00 if the put option expired worthless) and the written price per option received.

C. For such initially written (sold) Put Options which were retained at the end of trading on April 1, 2005, the Recognized Loss Claim shall be that number of options multiplied by the lesser of:

(1) the artificial deflation per Put Option on the date the put option was written; or

(2) the difference between the purchase price, exercise price, or expiration price per option paid ($0.00 if the put option expired worthless) and the written price per option received, if purchased (covered), expired, or exercised on or before June 29, 2005.

Summary Version of Table 3

Start	End	Avg. AIG Price	Avg. AIG True Value	Avg. AIG Inflation	Avg. Call Volatility	Avg. Put Volatility	Avg. Interest Rate	Avg. Dividend Yield
10/28/1999	12/31/1999	$70.71	$63.91	$6.80	33.58%	34.45%	5.69%	0.19%
1/3/2000	4/2/2000	$65.15	$58.89	$6.27	37.49%	38.07%	6.19%	0.21%
4/3/2000	7/2/2000	$76.62	$69.24	$7.37	38.42%	39.40%	6.22%	0.18%
7/3/2000	10/1/2000	$86.41	$78.10	$8.31	28.14%	29.13%	6.13%	0.17%
10/2/2000	12/31/2000	$96.57	$87.28	$9.29	31.39%	34.09%	5.91%	0.15%
1/2/2001	2/7/2001	$87.00	$78.63	$8.37	32.75%	33.80%	4.80%	0.17%
2/8/2001	4/1/2001	$81.28	$72.22	$9.05	31.12%	34.46%	4.45%	0.18%
4/2/2001	4/25/2001	$78.39	$67.91	$10.48	32.30%	33.61%	3.99%	0.19%
4/26/2001	7/1/2001	$82.73	$70.47	$12.26	22.12%	22.36%	3.70%	0.20%
7/2/2001	7/25/2001	$84.58	$72.05	$12.54	21.59%	21.28%	3.63%	0.20%
7/26/2001	9/30/2001	$77.60	$66.09	$11.50	29.25%	29.33%	3.25%	0.22%
10/1/2001	1/1/2002	$81.26	$69.21	$12.05	29.73%	29.60%	2.24%	0.21%
1/2/2002	3/31/2002	$74.72	$63.64	$11.08	28.17%	28.58%	2.32%	0.23%
4/1/2002	6/30/2002	$68.74	$58.55	$10.19	29.57%	29.62%	2.35%	0.26%
7/1/2002	9/30/2002	$61.21	$52.14	$9.08	45.13%	45.38%	1.81%	0.31%
10/1/2002	12/31/2002	$61.66	$52.52	$9.14	41.78%	41.79%	1.53%	0.31%
1/2/2003	3/31/2003	$53.02	$45.16	$7.86	39.69%	39.96%	1.30%	0.36%
4/1/2003	6/30/2003	$56.26	$47.92	$8.34	31.41%	31.70%	1.15%	0.40%
7/1/2003	9/30/2003	$60.22	$51.30	$8.93	27.67%	27.76%	1.22%	0.43%
10/1/2003	12/31/2003	$60.77	$51.76	$9.01	24.54%	24.53%	1.30%	0.43%
1/2/2004	3/31/2004	$71.45	$60.86	$10.59	22.65%	22.66%	1.22%	0.36%
4/1/2004	6/30/2004	$72.62	$61.86	$10.77	23.37%	23.38%	1.78%	0.38%
7/1/2004	9/30/2004	$70.02	$59.64	$10.38	21.88%	21.89%	2.08%	0.43%
10/1/2004	10/13/2004	$67.32	$57.34	$9.98	22.23%	21.79%	2.22%	0.45%
10/14/2004	10/14/2004	$60.00	$52.39	$7.61	39.05%	38.52%	2.15%	0.50%
10/15/2004	12/31/2004	$62.66	$55.65	$7.01	25.56%	25.63%	2.52%	0.66%
1/3/2005	2/13/2005	$67.33	$59.80	$7.53	18.76%	18.76%	2.89%	0.74%
2/14/2005	3/15/2005	$67.09	$59.59	$7.50	20.34%	20.34%	3.17%	0.75%
3/16/2005	3/29/2005	$58.34	$53.20	$5.15	29.70%	29.70%	3.36%	0.86%
3/30/2005	4/4/2005	$54.21	$53.38	$0.83	37.58%	37.58%	3.36%	0.92%

Calculation of Recognized Loss for AIG Debt Securities Purchases

The Class Period for purchases of AIG debt securities is from October 28, 1999 through April 1, 2005. AIG debt securities that matured, were called, put or converted before October 13, 2004 were not damaged by the alleged fraud and, therefore, shall not be eligible for recovery under the Plan and all transactions in such securities shall be ignored. The AIG debt securities outstanding as of October 13, 2004 and eligible to participate in recovery under the Plan are listed in Table 4 below.

The "AIG Debt Settlement Fund" shall be created by apportioning up to 5% of the Distribution Amount. If the Total Recognized Losses for AIG debt securities eligible to participate under the Plan are equal to or less than the AIG Debt Settlement Fund, then such Total Recognized Losses shall be recoverable and the remaining portion, if any, of the AIG Debt Settlement Fund shall revert back to the Distribution Amount for recovery under the AIG Common Stock and AIG Call and Put Options provisions of this Plan. If the Total Recognized Losses for AIG debt securities eligible to participate under the Plan are more than the AIG Debt Settlement Fund, such Total Recognized Losses shall be paid pro rata.

Calculation of Recognized Loss Claims for AIG debt securities shall be as follows:

For AIG debt securities purchased on or between October 28, 1999 and April 1, 2005, the following Recognized Losses shall be allowed:

a. For each unit sold on or between October 28, 1999 and October 13, 2004, the Recognized Loss shall be 5% of the difference between the purchase price paid and the sale price received (out-of-pocket investment loss);
b. For each unit sold on or between October 14, 2004 and March 14, 2005, the Recognized Loss shall be 10% of the difference between the purchase price paid and the sale price received (out-of-pocket investment loss); and
c. For each unit sold on or between March 15, 2005 and April 1, 2005 or held as of the close of business on April 1, 2005, the Recognized Loss shall be the greater of: (i) 15% of the difference between the purchase price paid and the sale price received (out-of-pocket investment loss), if sold before June 29, 2005; (ii) 15% of the difference between the purchase price paid and the average price as of June 29, 2005 as set forth in Table 5 below, if held as of the close of business on June 29, 2005; or (iii) inflation per unit at the time of purchase as set forth in Table 4.

In addition to the annexed Table 4 relating to AIG debt security claims, the Recognized Loss Claims for damages for such shares purchased during the Class Period shall be limited (as provided for under the PSLRA) to the smallest of the following: (i) the difference between the price paid and the price received (out-of-pocket investment loss) if sold on or before June 29, 2005; (ii) the difference between the price paid (excluding all fees and commissions) and the average closing price as set forth in Table 5 below if sold between April 4, 2005 and June 29, 2005; or (iii) the difference between the price paid and the average price as of June 29, 2005 as set forth in Table 5 below, if held as of the close of business on June 29, 2005.

Table 4: Inflation per Unit ($1,000 Par Value) Over Identified Time Periods

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Zero Coupon Maturity Date: 11/9/31 (CUSIP No. 026874AP2)		11/9/01	3/31/05	$2.97
		4/1/05	6/29/05	$0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 0.5% Maturity Date: 5/15/07 (CUSIP No. 026874AN7)		5/11/00	2/7/01	$2.63
		2/8/01	4/1/01	$3.05
		4/2/01	4/25/01	$3.66
		4/26/01	3/31/05	$4.06
		4/1/05	6/29/05	$0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 2.85% Maturity Date: 12/1/05 (CUSIP No. 02687QBB3)		12/2/02	3/31/05	$2.32
		4/1/05	6/29/05	$0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 2.875% Maturity Date: 5/15/08 (CUSIP No. 026874AQ0)		5/15/03	3/31/05	$7.95
		4/1/05	6/29/05	$0.00

Table 4: Inflation per Unit ($1,000 Par Value) Over Identified Time Periods

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 2.875% *Maturity Date: 5/15/08* *(ISIN No. USU02687AB48)*		5/15/03 4/1/05	3/31/05 6/29/05	$7.95 $0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 2.875% *Maturity Date: 5/15/08* *(CUSIP No. 026874AR8)*		4/20/04 4/1/05	3/31/05 6/29/05	$7.95 $0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 4.25% *Maturity Date: 5/15/13* *(CUSIP No. 026874AS6)*		5/14/03 4/1/05	3/31/05 6/29/05	$13.88 $0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 4.25% *Maturity Date: 5/15/13* *(ISIN No. USU02687AC21)*		5/14/03 4/1/05	3/31/05 6/29/05	$13.88 $0.00

Bond Description		Issue/Begin Date	End Date	Inflation Amount
Coupon: 4.25% *Maturity Date: 5/15/13* *(CUSIP No. 026874AT4)*		4/20/04 4/1/05	3/31/05 6/29/05	$13.88 $0.00

How do I participate in the settlement? What do I need to do?

The Court has certified this Action as a class action for purposes of this Settlement only. As discussed above, if you purchased or acquired AIG Securities during the period from October 28, 1999 through April 1, 2005, inclusive (including if you held the common stock of HSB at the time HSB was acquired by AIG or held the common stock of AGC at the time AGC was acquired by AIG) and you were damaged and you are not one of the people specifically excluded by the definition of the Settlement Class, you are a Class Member unless you take steps to get out of the Settlement Class.

As a Class Member, you will be bound by the proposed Settlement provided for in the Stipulation if it is approved by the Court, as well as by any judgment or determination of the Court affecting the Settlement Class. Even if you do not submit a Proof of Claim form to receive a part of the recovery, unless otherwise provided by the Court, you will be forever barred from receiving any payments pursuant to the Settlement set forth in the Stipulation, but will, in all other respects, be subject to the provisions of the Stipulation, including the terms of any judgments entered and the releases given.

To qualify for a payment, you must timely send in a completed Proof of Claim form with supporting documents (DO NOT SEND ORIGINALS) to the Administrator. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at the websites for the Administrator: www.AIGSecuritiesLitigationPwCSettlement.com, or Lead Plaintiff's counsel: www.labaton.com. Please read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it to the Administrator by first class mail, **postmarked no later than January 28, 2009**. The Administrator needs all of the information requested in the Proof of Claim in order to determine what you may be entitled to.

The Court may disallow or adjust the claim of any Class Member. The Court also may modify the Plan of Allocation without further notice to the Settlement Class. Each Claimant will be deemed to have submitted to the jurisdiction of the United States District Court for the Southern District of New York with respect to his, her or its Proof of Claim form.

If you do not wish to remain a Class Member, you may exclude yourself from the Settlement Class by following the instructions in the section called, "What if I do not want to participate in the Settlement? How do I exclude myself?" below.

If you object to the Settlement or any of its terms, the proposed Plan of Allocation, Lead Plaintiff's counsel's application for attorneys' fees and reimbursement of Litigation Expenses, or Lead Plaintiff's application for expenses and if you do not exclude yourself from the Settlement Class, you may present your objections by following the instructions in the section called, "What if I want to object to the Settlement? When and where will the Court decide whether to approve the Settlement? May I speak at the Hearing if I do not like the Settlement?" below.

What if I do not want to participate in the Settlement? How do I exclude myself?

Each Class Member will be bound by all determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless such person mails, by first class mail, a written request for exclusion from the Settlement Class, **postmarked no later than December 30, 2008**, addressed to *In re AIG Securities Litigation – PwC EXCLUSIONS*, c/o Complete Claim Solutions, LLC, P.O. Box 9417, Minneapolis, MN 55440-9417. No person may exclude himself, herself or itself from the Settlement Class after this deadline. You may not exclude yourself by telephone or e-mail.

In order to be valid, each request for exclusion must set forth the name and address of the person or entity requesting exclusion, must state that such person or entity "requests exclusion from the PwC Settlement Class in In re AIG Securities Litigation, Master File No. 04-8141 (JES)" and must be signed by such person or entity. The following information must also be provided: a daytime telephone number; date(s), price(s), and number(s) of shares of all purchases and sales of AIG Securities during the Class Period. Requests for exclusion will not be accepted if the requests do not include the required information or if the requests are not made within the time stated above, unless the requests for exclusion are otherwise accepted by the Court.

If a Class Member requests to be excluded from the Settlement Class, that Class Member will not receive any benefit provided for in the Stipulation and Agreement of Settlement.

What if I want to object to the Settlment? When and where will the Court decide whether to approve the Settlement? May I speak at the Hearing if I do not like the Settlement?

No Class Member must attend the Fairness Hearing, but you can attend at your own expense. The Fairness Hearing will be held at 3:00 p.m. on January 20, 2009 before the Honorable John E. Sprizzo, in the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007.

Any Class Member who does not request exclusion by December 30, 2008 may ask the Court to consider their objection to any of the matters to be considered at the Fairness Hearing (and may also appear at the Fairness Hearing) provided, however, that no such person shall be heard unless his, her or its objection is made in writing and is filed, together with copies of all other papers and briefs to be submitted to the Court at the Fairness Hearing, by him, her or it (including proof of all purchases and sales of AIG Securities during the Class Period) with the Clerk's Office at the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007, **postmarked no later than December 30, 2008**, and is served on the same day, by first class mail, hand or overnight delivery to each of the following:

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New York, NY 10019

Attorneys for Defendant PwC

You must include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases, acquisitions, and sales of AIG Securities you made during the Class Period, and state the reasons why you object to the Settlement. This information is needed to demonstrate your membership in the Settlement Class. Only Class Members who have submitted their position in this manner will be entitled to object, unless the Court orders otherwise. You may file an objection without appearing at the Fairness Hearing. Class Members who approve of the Settlement do not need to appear at the Fairness Hearing.

While attendance at the Fairness Hearing is not necessary, persons wishing to be heard orally are required to indicate in their written objections their intention to appear at the Fairness Hearing. Persons who intend to object to the Settlement or any of its related matters and desire to present evidence at the Fairness Hearing must also include in their written objections the identity of any witnesses they may seek to call to testify and exhibits they may seek to introduce into evidence at the Fairness Hearing.

The Fairness Hearing may be rescheduled from time to time by the Court without further written notice to the Settlement Class. If you intend to attend the Fairness Hearing, you should confirm the date and time with Lead Plaintiff's counsel.

UNLESS OTHERWISE ORDERED BY THE COURT, ANY SETTLEMENT CLASS MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION.

Special Notice to Securities Brokers and other Nominees

If you purchased or acquired AIG Securities (as defined herein) during the Class Period for the beneficial interest of a person or organization other than yourself, you are directed (a) to provide the Administrator with lists of the names and last known addresses of the beneficial owners for whom you have purchased AIG Securities during the Class Period within seven (7) days of receipt of this Notice, or (b) to request additional copies of this Notice and Proof of Claim form within seven (7) days of receipt of this Notice. If you elect to send this Notice and Proof of Claim form to beneficial owners, you are directed to mail this Notice and Proof of Claim within seven (7) days of receipt of the copies of this Notice from the Administrator, and, upon such mailing, you shall send a statement to the Administrator confirming that the mailing was made as directed. You shall be reimbursed from the Cash Settlement Account after receipt by the Administrator of proper documentation for the reasonable expenses of sending the Notices and Proofs of Claim to the beneficial owners. If you choose to follow the first alternative, you must retain the list of names and addresses so that it will be available for use in connection with future notice to the Settlement Class. Copies of this Notice may also be obtained from the Administrator or may be downloaded from Lead Plaintiffs' counsel's website at www.labaton.com.

Can I see the Court file? Who should I contact if I have questions?

This Notice contains only a summary of the terms of the proposed Settlement. For a more detailed statement of the matters involved in the Action, you are referred to the papers on file in the Action, including the Agreement of Compromise and Settlement, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the District of New York, United States Courthouse, 500 Pearl Street, New York, New York 10007.

All inquiries concerning this Notice or the Proof of Claim form or any questions regarding the Settlement should be directed to:

AIG Securities Litigation – PwC Settlement
c/o Complete Claim Solutions, LLC
Administrator
P.O. Box 9417
Minneapolis, MN 55440-9417
Toll-Free: (888) 356-0263
www.AIGSecuritiesLitigationPwCSettlement.com
Email: info@www.AIGSecuritiesLitigationPwCSettlement.com

Nicole M. Zeiss
Labaton Sucharow LLP
140 Broadway
New York, NY 10005
(866) 779-0843
www.labaton.com

PLEASE DO NOT CONTACT THE COURT OR PwC REGARDING THESE MATTERS.
THEY WILL NOT BE ABLE TO ANSWER YOUR QUESTIONS.

DATED: October 20, 2008

BY ORDER OF THE UNITED STATES DISTRICT COURT
DISTRICT OF NEW YORK