LETTER OF COMMENT NO. 156 A

Vernuccio; Kevin Stoklosa; Kristofer Anderson; Mark Trench; Meghan Clark; Peter Proestakes; Russell Golden; Vita Martin; Wade Fanning

Subject: FW: Proposed FSP FAS 157-e

-----Original Message-----
From: Timothy Scott [mailto:tscott3@yahoo.com]
Sent: Monday, March 30, 2009 10:26 AM
To: Director - FASB
Subject: Proposed FSP FAS 157-e

How will the change help AIG with losses like this?

AIG's Private Equity Portfolio Shrinks
MARCH 27, 2009
By AARON O. PATRICK

Add another name to the list of American International Group Inc.'s missteps: AIG Private Equity Ltd.

The little-known Swiss investment company was founded in 1999 by AIG's private Swiss bank as a way of tapping into the then-growing demand for capital by private-equity funds. These days, AIG Private Equity's portfolio is in steep decline as investments in funds run by likes of Terra Firma Capital Partners Ltd. -- which has lost big on its acquisition of music company EMI Group Ltd. -- have gone sour.

According to AIG Private Equity's recent quarterly report, the firm has cut the valuation of its holdings by 46%. AIG Private Equity owns stakes in funds run by private-equity heavyweights such as Blackstone Group LP, Carlyle Group LLC and CVC Capital Partners.

Shares in AIG Private Equity, which is listed on the Swiss stock exchange, Thursday traded at an 87% discount to what management estimates they are worth, a figure known as the net asset value per share.

http://online.wsj.com/article/SB123811526155053633.html