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\$97.5 Million Partial Settlement Reached In AIG Securities Case
Three Ohio Pension Funds Come To Agreement With AIG's Auditor

The office of Ohio Attorney General Nancy Rogers announced today that PricewaterhouseCoopers LLP has agreed to pay \$97.5 million to settle investors' claims in securities litigation against American International Group, Inc. (AIG). This settlement will be one of the ten highest settlements to be paid by an accounting firm to settle a securities fraud class action.

PricewaterhouseCoopers, which continues to serve as AIG's independent auditor, was alleged in the class action complaint to have violated the securities laws in connection with its providing auditing services and its issuance of unqualified audit opinions on AIG's financial statements during the years at issue in the case.

"This important settlement represents a tremendous result for investors," said Chris Geidner, Principal Assistant Attorney General. "We are pleased with this milestone and will continue to vigorously pursue investors' claims against the remaining defendants in the case."

The Ohio Attorney General's Office is prosecuting the case on behalf of three named plaintiffs, the Ohio Public Employees Retirement System, State Teachers Retirement System and Ohio Police & Fire Pension Fund, and seeks damages for investors who purchased AIG securities between October 28, 1999 and April 1, 2005.

The plaintiffs' claims are based on AIG's alleged involvement in a market division scheme with others in the insurance industry that was disclosed in October 2004, as well as AIG's improper accounting for reinsurance and other transactions that led to the company's \$3.9 billion restatement or adjustment of earnings in May 2005. Those accounting problems led to the ouster of AIG's then-Chairman and Chief Executive Officer, Maurice R. "Hank" Greenberg, as well as several other senior company executives.

The settlement must be approved by the United States District Court for the Southern District of New York in Manhattan. The Ohio Attorney General's Office and the three Ohio pension funds are represented in the case by Labaton Sucharow LLP in New York City, and Hahn Loeser & Parks, LLP, which has offices in Cleveland and Columbus.

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