

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE AMERICAN INTERNATIONAL GROUP,
INC. SECURITIES LITIGATION

Master File No. 04 Civ. 8141 (DAB) (AJP)

**SUPPLEMENTAL NOTICE OF PROPOSED
SETTLEMENT AND FAIRNESS HEARING**

**If You Purchased or Otherwise Acquired Securities Issued by
American International Group, Inc. (“AIG”) During the Period from October 28, 1999
Through April 1, 2005, Inclusive, (the “Class Period”) and Were Damaged Thereby,
You May Be Entitled to Share in a \$115 Million Settlement.**

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:** A Notice of Proposed Settlement, Motion for Attorneys’ Fees and Expenses Award and Fairness Hearing was sent to you on or about February 22, 2012 (the “Notice”). The Notice advised you of a proposed partial settlement (the “Settlement”) consisting of \$115 million in cash, plus interest as it accrues, in a consolidated class action lawsuit (the “Action”) brought by the Ohio Public Employees Retirement System, State Teachers Retirement System of Ohio and Ohio Police & Fire Pension Fund (collectively, “Lead Plaintiff”), on behalf of the Settlement Class against Maurice R. Greenberg, Howard I. Smith, Christian M. Milton, Michael J. Castelli, C.V. Starr & Co., Inc., and Starr International Company, Inc. (collectively, “the Starr Defendants”), among others. If approved by the Court, this Settlement would finally resolve the Claims brought on behalf of the Settlement Class against the Starr Defendants.
2. **Statement Correcting the Notice:** This Supplemental Notice corrects certain statements in the Notice regarding decreases in the price of AIG common stock on three dates—specifically, February 14, March 14, and March 15, 2005 (the “Questioned Dates”)—because of an error made by an expert witness retained by counsel for Lead Plaintiff. Lead Plaintiff does not believe that this error is material to the Settlement, but Lead Plaintiff believes it prudent to bring it to the attention of the Settlement Class.

A damages expert retained by the New York Attorney General (“NYAG”) in an action against two of the Starr Defendants (Greenberg and Smith) in New York state court (the “State Action”) has opined that corrective disclosures relating to an allegedly fraudulent transaction between American International Group, Inc. and General Reinsurance Corp. (the “Gen Re Transaction”) caused the price of AIG stock to drop on the Questioned Dates. Therefore, the NYAG asserts in the State Action that AIG investors can recover damages based on approximately \$6.5 billion in losses that they allegedly suffered on the Questioned Dates.

In response, a different damages expert retained by Greenberg and Smith in the State Action has opined that the misstatements and omissions alleged in the State Action were not economically material, and that the AIG stock price drops on the Questioned Dates were caused by factors unrelated to the alleged wrongdoing. Therefore, Greenberg and Smith argue that AIG investors *cannot* recover damages based on the Questioned Dates.

In this Action, Lead Plaintiff did not assert that the Questioned Dates were corrective disclosure dates; therefore, the Plan of Allocation included in the Notice does not include compensation to the Settlement Class based on the Questioned Dates. Rather, the Plan of Allocation includes compensation to the Settlement Class for losses that they suffered (as a result of the Gen Re Transaction and other transactions) on six other alleged corrective disclosure dates (specifically, October 14-15, 2004; March 17, 2005; March 30-31, 2005; and April 1, 2005).

The Notice truthfully stated that Lead Plaintiff’s loss causation expert had examined the AIG stock price drops on the Questioned Dates and determined that they were not statistically significant, *i.e.*, that AIG investors could *not* recover damages based on the Questioned Dates. However, after further analysis, Lead Plaintiff’s loss causation expert has withdrawn that opinion and does not contest the statistical significance of the stock price drops on the Questioned Dates.

Questions? Call Toll-Free (888) 356-0263

As a result, the NYAG has asserted an objection to the Settlement, contending that the Settlement is inadequate and unfair to the Settlement Class (the "Objection"), because the claims released in connection with the Settlement would include the claims for restitution and damages asserted in the State Action. (The State Action also asserts claims for injunctive and other equitable relief that would not be affected by the Settlement.) The Objection asserts that the Court should decline to approve the Settlement or, in the alternative, delay approval of the Settlement until after the State Action is resolved.

Lead Plaintiff continues to believe that the Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class, in light of various factors, including that the Settlement appears to be the largest ever to resolve so-called "control person" claims under the Securities Exchange Act of 1934, and the second largest ever to resolve claims against individual defendants. Lead Plaintiff also believes that it would be inappropriate to delay the Settlement until the State Action is resolved, because, as discussed in the following section of this Supplemental Notice, the resolution of the State Action may be years away.

The Starr Defendants assert that any movement in AIG's stock price on the Questioned Dates is not attributable to any of the Starr Defendants (including Greenberg and Smith), and that nothing relating to the allegations in this Action led to any statistically significant AIG stock price movements on the Questioned Dates. The Starr Defendants further assert that Lead Plaintiff's loss causation expert has not formed any opinion to the contrary.

The Starr Defendants emphasize that the Questioned Dates are included within the period covered by this Action (the "Class Period"), and they view the release of all claims relating to any transactions and other events that occurred within the Class Period in connection with the Settlement as a material part of the Settlement.

3. **Statement Regarding the State Action:** This Supplemental Notice also provides additional information regarding the procedural posture of the State Action.

The State Action asserts claims under New York's Martin Act and Executive Law based on two of the allegedly fraudulent business transactions that form the basis of the claims in this Action: (i) the Gen Re Transaction and (ii) the CAPCO Transaction. On October 21, 2010, the judge presiding over the State Action issued an order denying motions for summary judgment as to the Gen Re Transaction, and the Appellate Division *affirmed* that part of the order on May 8, 2012.

In its October 21, 2010 order, the judge presiding over the State Action found Greenberg and Smith liable under the Martin Act for the CAPCO Transaction, but the Appellate Division *reversed* that part of the order on May 8, 2012.

The Appellate Division's May 8, 2012 decision effectively directed that Greenberg and Smith's liability must be determined at trial. However, on July 17, 2012, the Appellate Division granted Greenberg and Smith permission to appeal from that decision, and it is expected that the New York State Court of Appeals will hear that appeal sometime in 2013.

The State Action has been litigated contentiously. The NYAG believes that the claims asserted against Greenberg and Smith are very strong. Greenberg and Smith have denied and continue to deny all allegations with respect to liability and damages. It could take years (including completion of expert discovery, motion practice, trial, and further appeals) before the State Action is resolved.

4. **Further Information:** Copies of the Notice, this Supplemental Notice, and further information regarding the Settlement and any significant developments in the State Action may be obtained by contacting the Administrator: *In re AIG Securities Litigation – Starr Defendants Settlement*, c/o Rust Consulting, P.O. Box 9433, Faribault, MN 55021-9433, (888) 356-0263, www.AIGSecuritiesLitigationStarrSettlement.com; or Counsel: Labaton Sucharow LLP, 140 Broadway, NY, NY 10005, (866) 779-0843, settlementquestions@labaton.com, www.labaton.com. **Please Do Not Call the Court With Questions About the Settlement.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

<p>SUBMIT A CLAIM FORM BY MARCH 27, 2013</p>	<p>The way to get a payment. However, if you already submitted a claim form in connection with the Company or PwC Settlements (defined in the Notice at page 1), you do not have to do so again. Instead, you must complete a Release Form. If you already submitted a claim form or Release Form in response to the Notice, you do not have to do so again.</p>
<p>EXCLUDE YOURSELF BY MARCH 6, 2013</p>	<p>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 <i>other</i> lawsuit against the Starr Defendants and the other “Starr Released Persons” about the “Starr Released Claims” (including the State Action). <u>Even if you have signed a claim form and a Release Form prior to the issuance of this updated Notice, and you wish to exclude yourself now, you may do so.</u> For instructions on how to exclude yourself, please reference pages 18 and 19 of the Notice under the heading “What if I do not want to participate in the Settlement? How do I exclude myself?”</p>
<p>OBJECT BY MARCH 6, 2013</p>	<p>Write to the Court about why you do not like the Settlement. If you submit a claim form prior to March 27, 2013, you will still be a member of the Settlement Class. Your objection must follow the requirements and procedures set forth in the Notice and must be filed with the Court and mailed and delivered to all of the counsel identified in the Notice. For instructions on how to object to the proposed Settlement, please reference page 19 of the Notice under the heading “What if I want to object to the Settlement? May I speak at the Fairness Hearing if I do not like the Settlement?”</p>
<p>GO TO A HEARING ON APRIL 10, 2013 AT 2:30 P.M.</p>	<p>Ask to speak in Court about the Settlement at the Fairness Hearing. For instructions on how to speak at the Fairness Hearing, please reference pages 19 and 20 of the Notice under the heading “What if I want to object to the Settlement? May I speak at the Fairness Hearing if I do not like the Settlement?”</p>
<p>DO NOTHING</p>	<p>If you did not already submit a claim form or Release Form in connection with this Settlement, you will get no payment and give up rights.</p>