

by Sarbanes-Oxley

Patrikis, one of the country's leading authorities on financial institution regulation, supervision and enforcement, to head Pillsbury's financial services regulatory practice

Mr. Patrikis is one of the country's leading banking and financial services attorneys. Prior to his eight-year tenure at AIG, he spent 30 years with the Federal Reserve Bank of New York, managing a legal department that advised on all aspects of bank supervision, regulation and enforcement. He also directed the national Fedwire electronic funds system, which handles trillions of dollars in funds and securities daily for the 12 member Fed banks. Mr. Patrikis served as an alternate member of the Federal Open Market Committee, the Fed's monetary policymaking group, and rose to become the second highest officer of the New York Fed. At AIG, Mr. Patrikis held what is unquestionably one of the most visible and challenging legal posts within the financial services industry. He joined AIG in 1998 as a special advisor to former Chairman M.R. Greenberg. He became general counsel in 1999, taking over one of the largest corporate law departments in the world, with some 460 in-house lawyers. Mr. Patrikis helped restructure the department while also directing the company's vast international network of outside counsel.

In addition to managing worldwide corporate litigation, regulatory affairs, compliance and enforcement, Mr. Patrikis played an active role in acquisitions at AIG, helping negotiate the company's historic 2001 acquisition of American General Life Insurance, which further transformed AIG into the world's leading international insurance organization.

Over the last several years, Mr. Patrikis has been instrumental in guiding AIG through a gauntlet of regulatory probes and enforcement actions, as well as numerous civil lawsuits. Throughout, he has worked closely with AIG's new chief executive Martin Sullivan, the senior officers of the company, and also its board of directors. This involved settlements with the New York Attorney General's office, the Securities and Exchange Commission, the New York Department of Insurance, as well as negotiations with state regulators and contacts with foreign regulators.

"Ernie Patrikis has held one of the hottest seats in the legal profession the past few years, and it is a reflection of his tremendous skill and stature within the financial services industry that AIG has been able to navigate successfully through so many highly-charged matters," said Michael Schumaecker, who heads Pillsbury's firm-wide finance section. Mr. Schumaecker noted that Pillsbury represents more than 200 financial services clients, including commercial and savings banks, investment banks, insurance and reinsurance companies, credit unions, trust companies, investment advisors, broker-dealers, credit card issuers, private equity firms, investment funds and financial services trade associations.

"Ernie is extremely well known in the international financial community and has been a major player for more than a generation. He brings an extraordinary portfolio of accomplishments, plus important relationships across the industry," Mr. Schumaecker said.

Pillsbury firm-wide chair Mary Cranston added that "Ernie's presence substantially expands our regulatory practice at the national and international levels. We expect him to play a leadership role in expanding our ability to assist clients on matters before critical regulators and enforcement agencies. Our financial services clients will benefit enormously from his knowledge and experience."

Mr. Patrikis acknowledged that his workload over the last several years has been "relentless, but also extremely fulfilling in that I was helping steer one of the world's preeminent companies through some troubling times, while preserving the core that has made AIG a global leader in diversified financial products and services. Now that most of the major matters have been settled, it is time for me to try a new direction. I'm eager to return to the work that I enjoy doing in financial market compliance."

Mr. Patrikis noted that his position at AIG afforded him a unique perspective on outside counsel, with well over 1,000 firms reporting to his office. "Having led large-scale teams for both a Federal Reserve Bank and a top global corporation, I want to do the same for a major law firm, in this case one with an established client base of financial institutions that can benefit from a full-scale regulatory practice at the highest level," he said.

"Pillsbury offers a great platform from which to expand its financial services regulatory practice to a world class presence" the clients are there, and so are the attorneys, with strong experience firmwide in banking,

litigation, enforcement and investigations, corporate, compliance and other related areas,â€• Mr. Patrikis explained. â€œI see my job as helping pull it all together into an integrated group. And I expect to have fun doing it.â€•

Deep background in banking regulations and enforcement Mr. Patrikis was already a financial institutions super-lawyer when he joined AIG, by virtue of his three decades of service at the Federal Reserve. While working at the New York Fed, Mr. Patrikis served as Deputy General Counsel of the Federal Open Market Committee as well as General Counsel and then First Vice President of the Bank.

For years he functioned as chief operating officer, overseeing a host of Fed activities, including the legal aspects of wholesale financial market transactions encompassing government securities, foreign exchange, and derivatives, as well as the operational aspects of wholesale wire transfers of funds and securities, check collection and coin and currency as well as Fedwire. He also directed submission of amicus briefs on behalf of financial market participants in matters regarding SEC attachment of foreign bank assets and the Commodities Futures Trading Commissionâ€™s jurisdiction over government securities and foreign exchange transactions. Mr. Patrikis actively participated in major bank holding company applications, including the legal and policy aspects of proposals that severed the separation of commercial and investment banking businesses. He worked with Fed staff in drafting the International Banking Act that governs the operations of foreign banks in the United States. And he frequently made presentations to the Fedâ€™s Board of Governors in Washington on enforcement and payments issues. More recently, he has worked on the need for a federal charter and regulator for insurers.

He was also visible in enforcement actions, directing inquiries into violations of law and regulations, and often negotiating cease-and-desist and other enforcement actions involving violations of statutes and regulations as well as unsafe or unsound banking practices.

Mr. Patrikisâ€™s time at the Fed had moments of high drama. When the American hostages were taken in Iran in 1979, he advised the Treasury Department on its asset freeze regulations. Later, he served in London, Frankfurt, and Algiers as one of the two negotiators on the financial aspects of the settlement with Iran. Working alongside Warren Christopher, who later became Secretary of State under President Clinton , Mr. Patrikis helped negotiate the transfer to Iran of blocked U.S. bank assets which ultimately led to the hostagesâ€™ release in 1980.

He was named the New York Fedâ€™s First Vice President in 1995, becoming the second ranking officer of the largest bank in the Federal Reserve System. At the time of his appointment, the National Law Journal called him â€œabsolutely one of the top banking lawyers in New Yorkâ€• and â€œperhaps the nationâ€™s foremost expert in payment systems.â€•

Among other high-profile assignments, Mr. Patrikis has served on the staff of the Presidentâ€™s Working Group on Financial Markets. On the international scene, he frequently met with central bankers around the world, served as a member of the Committee on Payments and Settlement Systems of the G-10 central bank governors, and frequently provided legal advice to the Basle Committee on Banking Supervision. He also was actively involved in central bank negotiations relating to sovereign debt restructurings in Latin America and elsewhere.

Mr. Patrikis is a member of the advisory committee of the Business Council for the United Nations and a member of the New York Stock Exchange and the NASDAQ legal advisory committees, as well as a member of the Council on Foreign Relations. Mr. Patrikis is a director of the Atlantic Legal Foundation and the International Swaps and Derivatives Association, having testified before Congress for ISDA.

A native of Swampscott, Mass., whose parents were first-generation Greek-Americans, Mr. Patrikis received his B.A. with honors in economics from the University of Massachusetts (1961) and his J.D. from Cornell Law School (1964).

Pillsbury Winthrop Shaw Pittman LLP is an international law firm with over 900 attorneys in 16 offices, including San Francisco, New York, Washington, D.C., Los Angeles and London. In business for more than 130 years, Pillsburyâ€™s practice focuses on capital markets and financial services, energy, global sourcing, litigation, real estate, technology, life sciences and communications.

For more information, please visit [www.pillsburylaw.com](http://www.pillsburylaw.com)

NOTE ON ERNEST PATRIKIS DEPARTURE FROM AIG CEO Ernie Patrikis, AIGâ€™s Senior Vice President and General Counsel since 1999, has decided to leave AIG to head the financial institutions regulatory group in the New York office of Pillsbury Winthrop Shaw Pittman, effective the end of this month.

Ernie joined AIG in 1998 as Special Adviser on Regulatory Matters after a 30-year career with the Federal Reserve Bank of New York. As Special Adviser and subsequently as General Counsel, Ernie's advice and counsel were invaluable both to AIG and to me personally. Please join me not only in wishing Ernie well in his new endeavors, but also in extending to him our sincere appreciation for his loyal service to the company. In the interim, Steve Bensinger, Executive Vice President and Chief Financial Officer, will assume management oversight of the Legal Division, pending the appointment of a successor, which we anticipate announcing in due course.

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*AIG General Counsel and Former Senior Officer at New York Federal Reserve Ernest Patrikis Joins Pillsbury Winthrop Shaw Pittman by Sarbanes-Oxley*