

PLAINTIFF'S
EXHIBIT
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EXHIBIT

Greenberg, JI
DD 9/14/08

Memorandum

To: M. R. Greenberg
From: C. R. Schader
CC: E. G. Greenberg, R. A. Hernandez, K. P. Moor, S. M. Rivera, H. I. Smith, K. L. Duckett
Date: November 1, 1999
Re: Auto Warranty - Update

- Underwriting Restrictions/Reinsurance Arrangements:** I am attaching Susan Rivera's November 1, 1999 memo as a report on our efforts to a) secure voluntary cancellation of the Administrator Obligor policies concurrent with the termination of the Program Administrator Agreements; b) impose new, more restrictive underwriting restrictions on the vehicle service contracts we will accept prospectively; and c) reinsure the Universal, Dimension and ISI programs.
- Dealer Obligor Policies:** We now have a complete dealer register from ISI and will soon be formally non-renewing Dealer Obligor policies. We expect to receive Warrantech's dealer register within the next ten days. Written requests have been sent to Universal, MBA, and Dimension for their dealer registers as well.
- Claims Handling Facility:** The action plan for the implementation of a new claims handling office, as included in my September 27, 1999 update, is on target, with the exception of a one week delay in the installation of the data line. As an interim solution, a T1 line is being dropped between an existing AIG office in Orlando which has excess capacity and the new claims office in Maitland.

The Career Fair, which was held on Saturday, October 23, attracted some 200 applicants at all levels of expertise. New applications continue to flow into the office and all qualified applicants are being interviewed. Background checks are being run and employment offers are being extended. I am optimistic that we will be able to begin receiving claim files by December 1, 1999 and am targeting NAWS and ISI as the first TPA's whose claim files will be transferred.

