

**PLAINTIFF'S  
EXHIBIT  
31**

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Greenberg  
DD 9/11/08

**From:** Schader, Charles  
**Sent:** Thursday, November 11, 1999 7:37 PM  
**To:** Ross, Maryann  
**Subject:** Auto Warranty

I've been asked by Evan to lead our disengagement from our current book of auto warranty business (Exception: Susan Rivera is responsible for reinsurance arrangements)  
The projected loss on this business has been estimated by Milliman & Robertson at nearly \$500,000,000. This number is probably overstated — a closer estimate would be in the neighborhood of \$250,000,000 to \$300,000,000. In that context, I'm pulling all claims in-house as fast as possible to mitigate the loss. It is being done on an expedited basis. Evan has acknowledged that the cost will be dwarfed by the savings potential considering how much abuse there has been to date. The budget is a work in progress and is constantly being refined as we go along.

Since Sept. 10, I've been receiving direct instructions from MRG. I've been charged by him with everything from investigation of wrongdoing (in conjunction with Duckett), civil prosecution, punishment of the guilty, cancellation of outstanding contracts and policies, claims handling and mitigation of loss. This whole area is currently very high on his radar screen and I'm getting regular phone calls, including on weekends. Last week I was told "Use your judgement; I'm relying on you to get this done; I'm not going to micromanage you." (Honestly, you know I wouldn't make this up). And tomorrow, I'm getting pulled into a probe of the international side...

I do publish a weekly status report to MRG — Evan and Kris both get copies.

As of today, my estimated budget for the Orlando Claims Center includes headcount of 68 and annualized salary of \$3,028,000. If you need more gory details, just call.

(PS: Val has been terrific. We'd never be able to pull this off without her.)