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**Extra**

**CEO gave wife \$2.2 billion in stock before resigning**

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Former chief of troubled insurer AIG transferred most of his shares before meeting with regulators over accounting irregularities.

By The Associated Press

The former chief of American International Group transferred more than \$2 billion worth of company shares to his wife as a gift only days before he was pressed by company directors to resign, according to a regulatory filing.

That disclosure by Maurice "Hank" Greenberg came Tuesday, hours after he declined to discuss a questionable insurance deal with state and federal regulators who are probing questionable transactions by **AIG** ([AIG](#), [news](#), [msgs](#)) .

Greenberg resigned as president and CEO of the New York-based insurer on March 14, three days after he had transferred 41.4 million shares -- worth \$2.2 billion at Tuesday's closing share price of \$53.20 -- to his wife, Corinne P. Greenberg.

Greenberg directly held 1.95 million shares after the transfer, according to the filing Tuesday with the Securities and Exchange Commission. Greenberg also disclaimed ownership "and any pecuniary interest" in another 23.65 million AIG shares he held through C.V. Starr & Co., which controls AIG managers' compensation.

Howard Opinsky, a spokesman for Greenberg's legal team, declined to comment on the filing. AIG spokesman Chris Winans said the company had no comment.

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**Warning bells 'from here to China'**

At Tuesday's deposition, Greenberg invoked his Fifth Amendment rights against self-incrimination in response to all questions during the 45-minute session, according to a person who attended the meeting but asked not to

be identified by name.

"I'm told it was quiet, cordial and professional," Opinsky said after the meeting.

Greenberg, who arrived and exited the building via an underground tunnel, made no comments after the meeting. His lawyer had indicated on Monday that his client likely would refuse to answer questions because he had not had sufficient time to prepare.

Greenberg's substantial stock gift to his wife is sure to provoke the interest of regulators and lawyers in the case, because it appears to be an effort to shield assets, said Thomas Ajamie, a securities lawyer in Houston.

"He anticipated that something serious was going to happen to him and he's trying to move assets to his wife," Ajamie said. "This large of a transfer, even in isolation, would garner regulatory scrutiny, but in the context of the criminal and civil issues, the warning bells are waking up people from here to China."

Investigators who attended the Tuesday session with Greenberg in New York Attorney General Eliot Spitzer's office in lower Manhattan included members of Spitzer's staff, representatives from the Securities and Exchange Commission and lawyers from the New York state insurance department.

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The investigators are looking into a number of reinsurance transactions booked by New York-based AIG, one of the world's largest insurers. Reinsurance traditionally has been used to spread out risk among insurers but, in some cases, has been used for the questionable purpose of polishing a company's financial statements.

### Questions are far from over

In the transaction at the center of the probe, AIG purchased reinsurance

from General Reinsurance Corp. in the fourth quarter of 2000 and first quarter of 2001. Investigators have said that AIG used the deals to pump up its reserves when markets were uneasy about the company's outstanding liabilities.

AIG acknowledged recently that its accounting for the transaction with Gen Re "was improper and, in light of the lack of evidence of risk transfer, these transactions should not have been recorded as insurance."

Billionaire investor Warren Buffett, whose holding company **Berkshire Hathaway** ([BRK.A](#), [news](#), [msgs](#)) owns Gen Re, spoke with the investigators on Monday. The investigators indicated that Buffett was a "cooperating witness" while Greenberg was subpoenaed as a target in the probe.

Before Tuesday's session began, Joseph Fritsch, director of insurance accounting policy in the New York state insurance department, told reporters that investigators had "40 pages of questions" for Greenberg.

He said that other AIG executives would likely be called for questioning, and that new information from them could result in a fresh subpoena for Greenberg.

Fritsch also said that Buffett a day earlier confirmed "that Hank knew about the deal" between AIG and Gen Re and that Greenberg had told a former Gen Re executive that he was disturbed about repeated questioning from Wall Street analysts over the level of AIG's reserves.

Fritsch quoted Buffett as saying he did not give prior approval to the transaction, leaving the decision-making to his subordinates.

In a column in Tuesday's Wall Street Journal, Greenberg's lawyer, David Boies, said Greenberg had asked to postpone the questioning to allow for more time to review the documents in the case, and to limit questions to the General Re transaction. Both requests were denied, Boies said.

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