

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

AIG-FP PAGIC EQUITY HOLDING CORP.

Magistrate No.

04 45 3M

AFFIDAVIT FOR CRIMINAL COMPLAINT

I, RANDY A. TICE, Special Agent of the Federal Bureau of Investigation (FBI), United States Department of Justice, having been duly sworn, depose and state under oath the following:

1. Your affiant, RANDY A. TICE, has been an FBI Special Agent for 20 years and has specialized in criminal white collar investigations for most of that time. Since August 2002 your affiant has been involved in a criminal securities fraud investigation related to certain special purpose entity ("SPE") transactions, including one by AIG-FP PAGIC EQUITY HOLDING CORP. ("AIG-FP PAGIC"), commonly known as the PAGIC transactions.

2. The facts set forth herein are based on witness interviews, a review of sworn testimony before the United States Securities and Exchange Commission, a review of internal and external corporate and accounting records, and a review of admissions made by various parties.

3. The investigation evidences a criminal violation by AIG-FP PAGIC of the federal securities laws, Title 15, United States Code, Sections 78j(b) and 78ff(a), Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2, in that it establishes that AIG-FP PAGIC aided and abetted a violation of the securities laws of the United States. In particular, the investigation evidences that AIG-FP PAGIC aided and abetted THE PNC FINANCIAL SERVICES GROUP, INC. ("PNC"), in connection with a transaction involving a special purpose entity ("SPE") consummated on November 30, 2001 (the "PAGIC III transaction"). In the PAGIC III transaction, PNC transferred to a SPE, a so-called PAGIC entity, venture-capital

investments held by PNC. PNC viewed these assets as being subject to volatile changes in values over short periods of time. AIG-FP PAGIC marketed – and PNC treated – the PAGIC III transaction as complying with the requirements for non-consolidation under GAAP. PNC thereby removed the assets it transferred to the PAGIC entities from PNC’s financial statements and recorded PNC’s preferred share investments in the SPEs as available for sale securities, with changes in the value of the preferred share investments therefore being recorded in the “Other Comprehensive Income” line item within the Shareholder’s Equity section of PNC’s balance sheet.

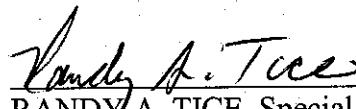
4. The PAGIC III transaction failed to satisfy the GAAP requirement for non-consolidation of the SPE that AIG-FP PAGIC, as the independent third-party investor in the SPE, make a substantive capital investment in the SPE of at least 3% of the SPE’s assets. Under GAAP, structuring fees paid by the SPE or a transaction counter-party to an investor in the SPE should be deducted from the investor’s capital investment for purposes of determining compliance with the capital investment requirement for non-consolidation of the SPE. The fees paid to AIG-FP PAGIC in the PAGIC III transaction were characterized in the closing documents as a “fee to Managing Member” or as “management fees owed by the Company to the Managing Member,” and not as structuring fees. AIG-FP PAGIC intended such fees to compensate AIG-FP PAGIC for structuring the transaction and for taking the assets and liabilities of the PAGIC entity onto its balance sheet, and not for providing management services to the SPEs. AIG-FP PAGIC invested approximately \$8.02 million in the PAGIC III transaction, but received fees from the SPE of approximately \$8.4 million. As a result, the fees paid to AIG-FP PAGIC had the effect under GAAP of reducing AIG-FP’s capital investment below the level required for non-consolidation of the SPEs by PNC.

5. At the time of the PAGIC III transaction on November 30, 2001, AIG-FP PAGIC knew or was deliberately ignorant in not knowing that this PAGIC transaction failed to satisfy the GAAP requirement for non-consolidation of the SPE because AIG-FP PAGIC collected structuring fees in the transaction that reduced AIG-FP PAGIC's "substantive capital investment" below the minimum 3% level required by GAAP.

6. There are additional facts known to the affiant that are not included in this Affidavit.

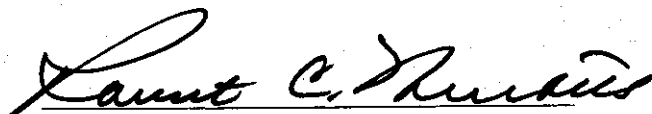
WHEREFORE, your affiant respectfully submits that there is probable cause to believe that AIG-FP PAGIC has committed a violation of federal law, that is, aiding and abetting a violation of the federal securities laws, Title 15 United States Code, Sections 78j and 78ff(a), Title 17, Code of Federal Regulations, Section 240.10b-5, and Title 18, United States Code, Section 2.

The above information is true and correct to the best of my knowledge, information and belief.



RANDY A. TICE, Special Agent
Federal Bureau of Investigation

Sworn and subscribed to before me
this 31 day of November, 2004.



United States Magistrate Judge
Western District of Pennsylvania