DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 22, 2009

Ms. Tracy Hackman, Esquire
Vice President, General Counsel and Secretary
Chrysler Financial
27777 Inkster Road
CIMS 405-27-16
Farmington Hills, MI 48334

Re: Proposed Compensation Payments and Structures for Senior Executive Officers and Most Highly Compensated Employees

Dear Ms. Hackman:

Pursuant to the Department of the Treasury's Interim Final Rule on TARP Standards for Compensation and Corporate Governance, the Office of the Special Master has completed its review of your 2009 compensation submission on behalf of the senior executive officers and certain most highly compensated employees of Chrysler Financial. Attached as ***Annex A*** is a Determination Memorandum (accompanied by ***Exhibits I*** and ***II***) providing the determinations of the Special Master with respect to 2009 compensation for those employees. 31 C.F.R. § 30.16(a)(3).

Pursuant to the Interim Final Rule, the Special Master is required to determine whether the compensation structure for each senior executive officer and certain most highly compensated employees "will or may result in payments inconsistent with the purposes of section 111 of EESA or TARP, or [is] otherwise contrary to the public interest." *Id.* § 30.16(a)(3). The Special Master has determined that, to satisfy this standard, 2009 compensation for Chrysler Financial's senior executive officers and certain most highly compensated employees generally must comport with the following important standards:

- Base salary paid in cash should not exceed $500,000 per year, except in appropriate cases for good cause shown. Overall, cash compensation must be significantly reduced from cash amounts paid in 2008. In Chrysler Financial's case, cash compensation for these employees will decrease 30% from 2008 levels.

- Total compensation for each individual must be appropriate when compared with total compensation of persons in similar positions or roles at similar entities, and should generally target the 50th percentile of total compensation for comparable employees. Overall, total compensation must be significantly reduced from the

amounts paid in 2008. In Chrysler Financial's case, total compensation for these employees will decrease 56% from 2008 levels.

- Any and all "other" compensation and perquisites will not exceed $25,000 for each employee (absent exceptional circumstances for good cause shown to the satisfaction of the Special Master).

- No severance benefit to which an employee becomes entitled in the future may take into account a cash salary increase, or any payment of stock salary, that the Special Master has approved for 2009.

The Special Master has also determined that, in order for the approved compensation structures to satisfy the standards of 31 C.F.R. § 30.16(a)(3), Chrysler Financial must adopt policies applicable to these employees as follows:

- Chrysler Financial may not provide a tax "gross up" of any kind to these employees.

- At least once every year, Chrysler Financial's compensation committee must provide to the Department of the Treasury a narrative description identifying each compensation plan for its senior executive officers, and explaining how the plan does not encourage the senior executive officers to take unnecessary and excessive risks that threaten Chrysler Financial's value.

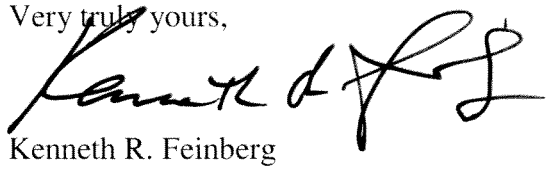
These requirements are described in further detail in the attached Determination Memorandum.

The Special Master's review has been guided by a number of considerations, including each of the principles articulated in the Interim Final Rule. *Id.* § 30.16(b)(1). The following principle was of particular importance to the Special Master in his determinations with respect to Chrysler Financial's compensation structures:

- *Taxpayer return.* The compensation structures approved by the Special Master reflect the need for Chrysler Financial to remain a competitive enterprise and, ultimately, to be able to repay TARP obligations. The Special Master has determined that these approved compensation structures are competitive when compared with persons in similar positions or roles at similar entities. Overall, the compensation structures provide for total compensation packages that target the 50th percentile when compared to such other executive officers and employees. *Id.* § 30.16(b)(1)(ii).

Pursuant to the Interim Final Rule, Chrysler Financial may, within 30 days of the date hereof, request in writing that the Special Master reconsider the determinations set forth in ***Annex A***. If Chrysler Financial does not request reconsideration within 30 days, these initial determinations will be treated as final determinations. *Id.* § 30.16(c)(1).

Very truly yours,



Kenneth R. Feinberg
Office of the Special Master
for TARP Executive Compensation

Attachments

cc: Thomas F. Gilman

ANNEX A
DETERMINATION MEMORANDUM

I. INTRODUCTION

The Emergency Economic Stabilization Act of 2008, as amended by the American Recovery and Reinvestment Act of 2009 ("EESA"), requires the Secretary of the Treasury to establish standards related to executive compensation and corporate governance for financial institutions receiving financial assistance under the Troubled Asset Relief Program ("TARP"). Through the Department of the Treasury's Interim Final Rule on TARP Standards for Compensation and Corporate Governance (the "Rule"), the Secretary delegated to the Office of the Special Master for TARP Executive Compensation (the "Office of the Special Master" or, the "Office") responsibility for reviewing compensation structures of certain employees at financial institutions that received exceptional financial assistance under the TARP ("Exceptional Assistance Recipients"). 31 C.F.R. § 30.16(a); *id.* § 30.16(a)(3). For these employees, the Special Master must determine whether the compensation structure will or may result in payments "inconsistent with the purposes of section 111 of EESA or TARP, or [is] otherwise contrary to the public interest." *Id.*

Chrysler Financial, one of seven Exceptional Assistance Recipients, has submitted to the Special Master proposed compensation structures for review pursuant to Section 30.16(a)(3) of the Rule. These compensation structures apply to five employees that the Company has identified as Senior Executive Officers (the "Senior Executive Officers," or "SEOs") for purposes of the Rule, and seventeen employees the Company has identified as among the most highly compensated employees of the Company for purposes of the Rule (the "most highly compensated employees," and, together with the SEOs, the "Covered Employees").

The Special Master has completed the review of the Company's proposed compensation structures pursuant to the principles set forth in the Rule. *Id.* Section 30.16(b)(1). This Determination Memorandum sets forth the determinations of the Special Master, pursuant to Section 30.16(a)(3) of the Rule, with respect to the Covered Employees.

II. BACKGROUND

On June 15, 2009, the Department of the Treasury ("Treasury") promulgated the Rule, creating the Office of the Special Master and delineating its responsibilities. Immediately following that date, the Special Master, and Treasury employees working in the Office of the Special Master, conducted extensive discussions with Chrysler Financial officials and Company counsel. During these discussions, the Office of the Special Master informed Chrysler Financial about the nature of the Office's work and the authority of the Special Master under the Rule. These discussions continued for a period

of months, during which the Office of the Special Master and Chrysler Financial explored potential compensation structures for the Covered Employees.

The Rule requires that each Exceptional Assistance Recipient submit proposed compensation structures for each Senior Executive Officer and Most Highly Compensated Employee no later than August 14, 2009. 31 C.F.R. § 30.16(a)(3). In addition, the Rule authorizes the Special Master to request information from an Exceptional Assistance Recipient "under such procedures as the Special Master may determine." *Id.* § 30.16(d). The Rule provides that the Special Master is required to issue a compensation determination within 60 days of a substantially complete submission. *Id.* § 30.16(a)(3).

On July 20, 2009, the Special Master requested from each Exceptional Assistance Recipient, including Chrysler Financial, certain data and documentary information necessary to facilitate the Special Master's review of the Company's compensation structures. The request required Chrysler Financial to submit data describing its proposed compensation structures, and the payments that would result from the proposed structures, concerning each Covered Employee. In addition, Chrysler Financial was required to submit competitive market data indicating how the amounts payable under Chrysler Financial's proposed compensation structures relate to the amounts paid to persons in similar positions or roles at similar entities. Chrysler Financial was also required to submit a range of documentation, including information related to proposed performance metrics, internal policies designed to curb excessive risk, and certain previously existing compensation plans and agreements.

Chrysler Financial submitted this information to the Office of the Special Master on August 13, 2009. Following a preliminary review of the submission, and the submission of certain additional information, the Special Master determined that Chrysler Financial's submission was substantially complete on August 31, 2009. *Id.* § 30.16(a)(3). The Office of the Special Master then commenced a formal review of Chrysler Financial's proposed compensation structures for the Covered Employees. The Rule provides that the Special Master is required to issue a compensation determination within 60 days of a substantially complete submission. *Id.* § 30.16(a)(3).

The Office of the Special Master's review of the Company's proposals was aided by analysis from a number of internal and external sources, including:

- Treasury personnel detailed to the Office of the Special Master, including executive compensation specialists with significant experience in reviewing, analyzing, designing and administering executive compensation plans, and attorneys with experience in matters related to executive compensation;

- Competitive market data provided by the Company in connection with its submission to the Office of the Special Master;

- External information on comparable compensation structures extracted from the *U.S. Mercer Benchmark Database-Executive*;

- External information on comparable compensation structures extracted from Equilar's *ExecutiveInsight* database (which includes information drawn from publicly filed proxy statements) and Equilar's *Top 25 Survey Summary Report* (which includes information from a survey on the pay of highly compensated employees);

- Consultation with Lucian A. Bebchuk, a world-renowned expert in executive compensation and the William J. Friedman and Alicia Townsend Friedman Professor of Law, Economics, and Finance and Director of the Program on Corporate Governance at Harvard Law School; and

- Consultation with Kevin J. Murphy, a world-renowned expert in executive compensation and the Kenneth L. Trefftzs Chair in Finance in the department of finance and business economics at the University of Southern California's Marshall School of Business.

The Special Master considered these views, in light of the statutory and regulatory standards described in Part III below, when evaluating the Company's proposed compensation structures for the Covered Employees for 2009.

III. STATUTORY AND REGULATORY STANDARDS

The Rule requires that the Special Master determine for each of the Covered Employees whether Chrysler Financial's proposed compensation structures, including amounts payable under the compensation structure, "will or may result in payments that are inconsistent with the purposes of section 111 of EESA or TARP, or [is] otherwise contrary to the public interest." 31 C.F.R. § 30.16(a)(3) (as applied to Covered Employees of Exceptional Assistance Recipients, the "Public Interest Standard"). Regulations promulgated pursuant to the Rule require that the Special Master consider six principles when making these compensation determinations:

(1) *Risk.* The compensation structure should avoid incentives which encourage executive officers and employees to take unnecessary or excessive risks that could threaten the value of the exceptional assistance recipient, including incentives that reward employees for short-term or temporary increases in value or performance; or similar measures that may undercut the long-term value of the Exceptional Assistance Recipient. Compensation packages should be aligned with sound risk management. *Id.* § 30.16(b)(i).

(2) *Taxpayer return.* The compensation structure and amount payable should reflect the need for the Exceptional Assistance Recipient to remain a competitive enterprise, to retain and recruit talented employees who will contribute to the recipient's future success, so that the Company will ultimately be able to repay its TARP obligations. *Id.* § 30.16(b)(ii).

(3) *Appropriate allocation.* The compensation structure should appropriately allocate the components of compensation such as salary and short-term and long-term performance incentives, as well as the extent to which compensation is provided in cash, equity, or other types of compensation such as executive pensions, and other financial benefits or perquisites, based on the specific role of the employee and other relevant circumstances, including the nature and amount of current compensation, deferred compensation, or other compensation and benefits previously paid or awarded. *Id.* § 30.16(b)(iii).

(4) *Performance-based compensation.* An appropriate portion of the compensation should be performance-based over a relevant performance period. Performance-based compensation should be determined through tailored metrics that encompass individual performance and/or the performance of the Exceptional Assistance Recipient or a relevant business unit taking into consideration specific business objectives. Performance metrics may relate to employee compliance with relevant corporate policies. In addition, the likelihood of meeting the performance metrics should not be so great that the arrangement fails to provide an adequate incentive for the employee to perform, and performance metrics should be measurable, enforceable, and actually enforced if not met. *Id.* § 30.16(b)(iv).

(5) *Comparable structures and payments.* The compensation structure, and amount payable where applicable, should be consistent with, and not excessive, taking into account compensation structures and amounts for persons in similar positions or roles at similar entities that are similarly situated, including, as applicable, entities competing in the same markets and similarly situated entities that are financially distressed or that are contemplating or undergoing reorganization. *Id.* § 30.16(b)(v).

(6) *Employee contribution to TARP recipient value.* The compensation structure and amount payable should reflect the current or prospective contributions of an employee to the value of the Exceptional Assistance Recipient, taking into account multiple factors such as revenue production, specific expertise, compliance with company policy and regulation (including risk management), and corporate leadership, as well as the role the employee may have had with respect to any change in the financial health or competitive position of the recipient. *Id.* § 30.16(b)(vi).

The Rule provides that the Special Master shall have discretion to determine the appropriate weight or relevance of a particular principle depending on the facts and circumstances surrounding the compensation structure or payment for a particular employee. *Id.* § 30.16(b). To the extent two or more principles may appear inconsistent in a particular situation, the Rule requires that the Special Master exercise his discretion in determining the relative weight to be accorded to each principle. *Id.*

The Rule provides that the Special Master may, in the course of applying these principles, take into account other compensation structures and other compensation

earned, accrued, or paid, including compensation and compensation structures that are not subject to the restrictions of section 111 of EESA. For example, the Special Master may consider payments obligated to be made by the Company pursuant to certain legally binding rights under valid written employment contracts entered into prior to enactment of the statute and the accompanying Rule. *Id.* § 30.16(a)(3).

IV. COMPENSATION STRUCTURES AND PAYMENTS

A. Chrysler Financial Proposals

Chrysler Financial has provided the Office of the Special Master with detailed information concerning its proposed 2009 compensation structures for pertinent executive officers and employees, including amounts proposed to be paid under the compensation structure for each Covered Employee (the "Proposed Structures").

Chrysler Financial supported its proposal with detailed assessments of each Covered Employee's tenure and responsibilities at the Company (or its applicable subsidiary) and historical compensation structure. The submission also included market data that, according to the Company, indicated that the amounts potentially payable to each employee were comparable to the compensation payable to persons in similar positions or roles at a "peer group" of entities selected by the Company.

Chrysler Financial is currently following Treasury's directive to liquidate its business in an orderly fashion. Accordingly, Chrysler Financial is currently pursuing a successful wind-down of its operations by December 31, 2011, and the repayment of its lenders and investors. Chrysler Financial's proposed compensation structures therefore emphasize that the Company's unique business objectives—to wind down, rather than to grow, its operations—render the use of traditional business metrics in the determination of appropriate compensation impractical. Rather, Chrysler Financial's submission asserts that its success in the wind-down of operations and repayment of lenders and investors is largely dependent upon maintaining critical talent to enable the Company to service and manage its portfolio during the wind-down process. The Company also contends that the risk of employee departures must be minimized because Chrysler Financial has publicly stated that it intends to wind-down its operations and will have difficulty attracting new employees.

1. Cash Salary

Chrysler Financial's Proposed Structures included proposed annual cash base salaries ranging from $175,872 to $1,500,000. The proposal reflects cash decreases from 2008 levels for each employee ranging from 10% to 67%.

2. "Other" Compensation and Perquisites

Chrysler Financial also proposed payments of "other" compensation, as well as perquisites, to the Covered Employees. These proposed payments varied in value.

B. Determinations of the Special Master

The Special Master has reviewed the Proposed Structures in detail by application of the principles set forth in the Rule and described in Part III above. In light of this review and analysis, the Special Master has determined that both the structural design of Chrysler Financial's proposals and the amounts potentially payable to Covered Employees under the proposals are consistent with the Public Interest Standard.

The Special Master has determined, in light of the considerations that follow, that the compensation structures described in ***Exhibits I*** and ***II***, to this Determination Memorandum will not, by virtue of either their structural design or the amounts potentially payable under them, result in payments inconsistent with the Public Interest Standard except as noted below.

1. Cash Salary

The Special Master reviewed Chrysler Financial's proposals with respect to cash salary in light of the principle that compensation structures should generally be comparable to "compensation structures and amounts for persons in similar positions or roles at similar entities," 31 C.F.R. § 30.16(b)(1)(v). This review made use of the resources and analysis described in Part II. The Special Master generally has concluded that, for Covered Employees at Exceptional Assistance Recipients, cash salaries should generally target 50th percentile because such levels of cash salaries balance the need to attract and retain talented with the need for compensation structures that reflect the circumstances of Exceptional Assistance Recipients.

In addition, the Special Master reviewed the Company's proposal in light of the principle that compensation structures must "reflect the need for the TARP recipient to remain a competitive enterprise...and ultimately to be able to repay TARP obligations." *Id.* § 30.16(b)(1)(ii). As noted above, the Company's submission emphasized that its business objectives—including an orderly wind-down of the Company's operations that would permit lenders and investors to be repaid—required cash base salaries that would give employees clear incentives to remain with the firm during this period.

In general, the principles set forth in the Rule emphasize compensation structures that are performance-based, *id.* § 30.16(b)(1)(iv), and payable over the long term, *id.* Unlike other Exceptional Assistance Recipients, however, Chrysler Financial's stated business objective, developed in consultation with Treasury, is to wind down its business in the near term. Under these unique circumstances, providing employees incentives over the appropriate compensation horizon, *see id.* § 30.16(b)(1)(i), may require cash compensation payable in base salary rather than longer-term incentives based on the performance of the Company.

In light of these considerations, the Special Master has concluded that Chrysler Financial's Proposed Structures and the amounts potentially payable under them are consistent with the Public Interest Standard. The amounts payable pursuant to these structures are described in further detail in ***Exhibits I*** and ***II***.

2. "Other" Compensation and Perquisites

Chrysler Financial also proposed payments of "other" compensation, as well as perquisites, to the Covered Employees. The Special Master has concluded that, absent special justification, employees—not the Company—generally should be responsible for paying personal expenses, and that significant portions of compensation structures should not be allocated to such perquisites and "other" compensation. *See id.* §30.16(b)(1)(iii).

The Rule requires that each Exceptional Assistance Recipient annually disclose to Treasury any perquisites where the total value for any Senior Executive Officer or Most Highly Compensated Employee exceeds $25,000. An express justification for offering these benefits must also be disclosed. Accordingly, as described in ***Exhibits I*** and ***II***, the compensation structures the Special Master has determined to be consistent with the Public Interest Standard provide no more than $25,000 in "other" compensation and perquisites to each of these employees. Any exceptions to this limitation will require that the Company provide to the Office of the Special Master an independent justification for the payment that is satisfactory to the Special Master. To the extent that payments exceeding this limitation have already been made to a Covered Employee in 2009, those amounts should be promptly returned to the Company.

3. Severance Arrangements

The Special Master has concluded that an increase in the amounts payable under these arrangements would be inconsistent with the principle that compensation should be performance-based, *id.* § 30.16(b)(1)(iv), and that payments should be appropriately allocated among the elements of compensation, *id.* § 30.16(b)(1)(iii). Accordingly, for the compensation structures described in ***Exhibits I*** and ***II*** to be consistent with the Public Interest Standard, the Company must ensure that 2009 compensation structures for these employees do not result in an increase in the amounts payable pursuant to these arrangements.

4 Departed Employees

In addition, three employees that would have been Covered Employees had they remained employed are no longer employed by the Company. With respect to these employees, the Special Master has determined that cash salaries through the date of the termination of employment, and payment of up to $25,000 in perquisites and "other" compensation are consistent with the Public Interest Standard. No other payments to these employees of any kind would be consistent with the Public Interest Standard. Any exceptions to this limitation will require that the Company provide to the Office of the

Special Master an independent justification for the payment that is satisfactory to the Special Master.

V. CORPORATE GOVERNANCE

Pursuant to the requirements of the Rule, Chrysler Financial is required to institute the following corporate governance reforms:

(1) *Compensation Committee; Risk Review.* Chrysler Financial must maintain a compensation committee comprised exclusively of independent directors. Every six months, the committee must discuss, evaluate, and review with Chrysler Financial's senior risk officers any risks that could threaten the value of Chrysler Financial. In particular, the committee must meet every six months to discuss, evaluate, and review the terms of each employee's compensation plans to identify and limit the features in (1) SEO compensation plans that could lead SEOs to take unnecessary and excessive risks that threaten the value of Chrysler Financial; (2) SEO or other employees' compensation plans that could encourage behavior focused on short-term results and not on long-term value creation; and (3) employees' compensation plans that could encourage the manipulation of Chrysler Financial's reported earnings to enhance the compensation of any of the employees. 31 C.F.R. § 30.4; *id.* § 30.5.

(2) *Disclosure with Respect to Compensation Consultants.* The committee must disclose to Treasury an annual narrative description of whether Chrysler Financial, its Board of Directors, or the committee has engaged a compensation consultant during the past three years. If so, the compensation committee must detail the types of services provided by the compensation consultant or any affiliate, including any "benchmarking" or comparisons employed to identify certain percentile levels of compensation. *Id.* § 30.11(c).

(3) *Disclosure of Perquisites.* As noted in Part IV, Chrysler Financial must provide to Treasury an annual disclosure of any perquisite whose total value for the Company's fiscal year exceeds $25,000 for each of the Covered Employees. Chrysler Financial must provide a narrative description of the amount and nature of these perquisites, the recipient of these perquisites, and a justification for offering these perquisites (including a justification for offering the prerequisite, and not only for offering the perquisite with a value that exceeds $25,000). *Id.* § 30.11(b).

(4) *Clawback.* Chrysler Financial must ensure that any incentive award paid to a Covered Employee is subject to a clawback if the award was based on materially inaccurate financial statements (which includes, but is not limited to, statements of earnings, revenues, or gains) or any other materially inaccurate performance metric criteria. Chrysler Financial must exercise its clawback rights except to the extent that it is unreasonable to do so. *Id.* § 30.8.

(5) *Policy as to excessive or luxury expenditures.* Chrysler Financial must adopt an excessive or luxury expenditure policy, provide that policy to Treasury, and post it on Chrysler Financial's website. If, after adopting an excessive or luxury expenditures policy, Chrysler Financial's board of directors makes any material amendments to this policy, within ninety days of the adoption of the amended policy, the board of directors must provide the amended policy to Treasury and post the amended policy on the Company's Internet website. *Id.* § 30.12.

(6) *Prohibition on tax gross-ups.* Except as explicitly permitted under the Rule, Chrysler Financial is prohibited from providing (formally or informally) tax gross-ups to any of the Covered Employees. *Id.* § 30.11(d).

(7) *CEO and CFO Certification.* Chrysler Financial's chief executive officer and chief financial officer must provide to the Securities and Exchange Commission (the "SEC") written certification of the Company's compliance with the various requirements of section 111 of EESA, including all the requirements listed in this section. The precise nature of the required certification is identified in the Rule. *Id.* § 30.15 Appx. A.

VI. CONCLUSION

The Special Master has reviewed the Proposed Structures for the Covered Employees for 2009 in light of the principles set forth at 31 C.F.R. § 30.16(b). On the basis of that review, the Special Master has determined that the Proposed Structures submitted by Chrysler Financial are generally consistent with the Public Interest Standard.

The Special Master has separately reviewed the compensation structures set forth in ***Exhibits I*** and ***II***, in light of the principles set forth at 31 C.F.R. § 30.16(b). Pursuant to the authority vested in the Special Master by the Rule, and in accordance with Section 30.16(a)(3) thereof, the Special Master hereby determines that the compensation structures set forth in ***Exhibits I*** and ***II***, including the amounts payable or potentially payable under such compensation structures, will not result in payments that are inconsistent with the purposes of section 111 of EESA or the TARP, and will not otherwise be contrary to the public interest.

Pursuant to the Interim Final Rule, Chrysler Financial may, within 30 days of the date hereof, request in writing that the Special Master reconsider the determinations set forth in this Determination Memorandum. The request for reconsideration must specify a factual error or relevant new information not previously considered, and must demonstrate that such error or lack of information resulted in a material error in the initial determinations. If Chrysler Financial does not request reconsideration within 30 days, the determinations set forth herein will be treated as final determinations. 31 C.F.R. § 30.16(c)(1).

The foregoing determinations are limited to the compensation structures described in ***Exhibits I*** and ***II***, and shall not be relied upon with respect to any other employee. The

determinations are limited to the authority vested in the Special Master by Section 30.16(a)(3) of the Rule, and shall not constitute, or be construed to constitute, the judgment of the Office of the Special Master or Treasury with respect to the compliance of any compensation structure with any other provision of the Rule. Moreover, this Determination Memorandum has relied upon, and is qualified in its entirety by, the accuracy of the materials submitted by the Company to the Office of the Special Master, and the absence of any material misstatement or omission in such materials.

Finally, the foregoing determinations are limited to the compensation structures described herein, and no further compensation of any kind payable to any Covered Employee without the prior approval of the Special Master would be consistent with the Public Interest Standard.

EXHIBIT I

COVERED EMPLOYEES

2009 Compensation

Company Name: Chrysler Financial

Employee ID	Cash Salary (Rate going forward.)	Stock Salary (Performance based: The stock vests at grant and is redeemable in three equal, annual installments beginning on the 2nd anniversary of grant.)	Long-Term Restricted Stock (Performance based: Awarded based on achievement of objective performance goals. Vests after 3 years of service. Transferability dependent on TARP repayment.)	Total Direct Compensation (Cash salary paid to date plus two months at new run rate + stock salary + long-term restricted stock.)
A216G8	$1,500,000	$0	$0	$875,000
A224F7	$216,000	$0	$0	$216,000
A272C1	$800,000	$0	$0	$466,667
A288A8	$400,000	$0	$0	$218,667
A296A7	$432,000	$0	$0	$252,500
B225F8	$1,350,000	$0	$0	$704,167
B233F7	$410,000	$0	$0	$246,753
B241E6	$415,000	$0	$0	$250,767
B249D5	$490,000	$0	$0	$265,167
C250D6	$216,000	$0	$0	$216,000
C258D5	$490,000	$0	$0	$268,587
C298A9	$400,000	$0	$0	$245,667
D203H4	$194,436	$0	$0	$194,436
E212G4	$182,496	$0	$0	$182,496
E220G3	$410,000	$0	$0	$272,083
E236E1	$500,000	$0	$0	$500,003
F245E1	$410,000	$0	$0	$246,533
F253D9	$443,000	$0	$0	$234,263
G206H7	$490,000	$0	$0	$261,667
H207H8	$175,872	$0	$0	$175,872
H231F5	$425,000	$0	$0	$237,833
H279B8	$600,000	$0	$0	$300,000

Comparison of 2009 Compensation to Prior Years: 2007 & 2008 Compensation

2008 Cash decreased by $4.3M or 29.9%
Total Direct Compensation decreased by $8.1M or 56.0%

2007 Company was created August 3, 2007. There is not enough data for a full year 2009 vs 2007 comparison

Note: 1: Amounts reflected in this Exhibit do not include amounts the Company has asserted to be payable pursuant to legally binding rights under valid employment contracts, see 31 C.F.R. § 30.10(e)(2).

Note: 2: The total number of Covered Employees may be less than 25 because of terminations, departures and retirements after January 1, 2009.

EXHIBIT II
TERMS AND CONDITIONS OF PAYMENTS AND STRUCTURES CONSISTENT WITH THE PUBLIC INTEREST STANDARD

The following general terms and conditions shall govern the compensation structures described in ***Exhibit I***. The Special Master's determination that those structures are consistent with the Public Interest Standard is qualified in its entirety by the Company's adherence to these terms and conditions.

- ***Cash base salary.*** Cash base salaries reflect the go-forward rate for the employee effective as of November 1, 2009. Compensation paid in the form of cash base salary prior to that date in accordance with the terms of employment as of June 14, 2009 shall be permitted unless otherwise noted. 31 C.F.R. § 30.16(a)(3)(iii).

- ***Other compensation and perquisites.*** No more than $25,000 in total other compensation and perquisites may be provided to any Covered Employee, absent exceptional circumstances for good cause shown, as defined by pertinent SEC regulations.

- ***Qualified Plans***. For the avoidance of doubt, the Special Master has determined that participation by the Covered Employees in tax-qualified retirement, health and welfare, and similar plans is consistent with the Public Interest Standard.