

**3/4/10 – Interview Notes**  
**Dixie Noonan interviewing Michael Lewis**

- One of the most important channels of inquiry is the interface between Goldman Sachs and AIG Financial Products (AIG FP). Goldman didn't just do what everyone else was doing; it was the first to do it. Goldman was the bank that convinced AIG FP to issue the CDS on subprime bonds, when it had never been done before.
  - Jonathan Egol was Goldman's trader and Andy Davilman was Goldman's salesman on the initial deals with AIG FP. On AIG FP's side, Al Frost handled the trades.
  - Michael thinks recreating the Davilman/Frost relationship is key. This is also something he was not able to do (absent our subpoena power), and is presumably a piece of the story that has not been fully told.
- The Merrill Lynch CDO machine was bigger, and produced CDOs of vastly inferior quality, to those of the other banks.
  - 36CFR1256.56: Privacy at Merrill Lynch designed securities in the tens of billions of dollars that were "designed to blow up and be misunderstood by the market." Michael referred to him as a "sinister" figure. He is currently employed picking distressed assets (Michael believes).
- Greg Lippmann, a central figure in the book, can be a key person helping us. He was the "spider in the middle of the web" of the subprime CDS story. Lippmann made margin calls on Ralph Chaffee at Bear Stearns and the Morgan Stanley group that got into trouble. He was the instigating force in the collapse of a lot of these places.
- What happened at Morgan Stanley in 36CFR1256.56: Privacy is an interesting subplot that we should consider exploring. This story is revelatory because it centers on a trader who thought he was ripping off his customers, but ended up losing the most money on a single trade in Wall Street history. (Yet he still walked away with tens of millions.)
- A note for the hearings: Talking to the CEOs is "a next to totally useless activity." To tell the story you have to talk to the midlevel people who actually understood the business, i.e., the people putting together the subprime CDS and CDOs.