

## Frequently Asked Questions for Terminated Employees

### AHM EQUIPMENT

- Q. I currently have equipment (Laptop; cell phone; blackberry). What do I do with the equipment?
- A. Equipment should be **packaged properly** and returned to AHM via **UPS**. **The Account number is Av1102 and the mailing address is the following:**  
American Home Mortgage  
Attention: Asset Return  
538 Broadhollow Rd  
Melville NY 11747

**Property including but not limited to company computers or files may not be destroyed or altered in any way. Destruction of property may result in civil or criminal penalties against you.**

- Q. Can I keep the equipment to cover my vacation and any other money that I believe I'm owed?
- A. No. The equipment is considered property of American Home Mortgage's bankruptcy estate. Keeping the equipment is a violation of the Bankruptcy Code, and you may be liable for damages, attorneys' fees, and penalties associated with the Debtors' attempts to collect this property from you.

### COMPENSATION

- Q. Will I be paid for my unused vacation time?
- A. You may file a claim for unused vacation pay.
- Q. Will I be paid for my unused sick/personal time?
- If you live in a state where payment of personal time is mandated by state law, you may file a claim.
- Q. Will I receive my monthly/quarterly bonus? When will it be paid?
- A. If you did not receive your incentive payment, you may file a claim for such payment.
- Q. Can I get unemployment? What is our Employer ID number?
- A. Yes. Contact your state's Department of Labor and they will provide you with information on how to apply for your state unemployment benefit. When filing for unemployment, you do not need to provide the Employer State ID Number; you will be able to file your claim without it.
- Q. What reason do I use when filing for unemployment?
- A. Permanent layoff/reduction in force.
- Q. Where do I go for employment verifications?
- A. Email verification requests to [mary.stadelman@americanhm.com](mailto:mary.stadelman@americanhm.com) or fax to #631-622-2954.
- Q. Can I get references if needed?
- A. Per company policy, we will provide verification of employment upon receipt of a written request with the authorization of the employee to release information.
- Q. Will I still receive my guarantee/draw?
- A. No, because guarantees/draws are only applicable if an employee is actively working.

### 401(k)

- Q. Is my account safe? Will I lose all the money that I have contributed, along with matching contributions?
- A. The benefits in the 401(k) Plan are not assets of the bankruptcy estate and cannot be used to pay the creditors of AHM. All 401(k) plans are subject to federal compliance regulations, and your benefits in the 401(k) plan can be paid only to you, your beneficiaries, or a roll over account designated by you. You will be receiving distribution information from Charles Schwab.
- Q. Am I fully vested?
- A. You were always 100% vested in your salary deferral contributions. If you participated in the 401(k) plan, you will become fully vested in the employer contributions (to include matching contribution) in your plan account balance, effective on your termination date.

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- Q. Now that I am no longer with the company, can I withdraw my account balance?  
A. Yes. Instructions will be provided by Charles Schwab.
- Q. Who should I contact to request distribution of my account?  
A. Charles Schwab will send a distribution package to you at the home address listed on your account record. You should request your distribution by October 31, 2007. Charles Schwab and Company can be reached at 1-800-724-7526 or at [www.schwabplan.com](http://www.schwabplan.com).
- Q. How soon will I receive the check once I request distribution?  
A. Distribution checks are usually processed between 5-10 business days after Charles Schwab receives a distribution request.
- Q. May I rollover the money to an IRA or existing 401(k) Plan?  
A. Yes, you may request a distribution to yourself or rollover to an IRA or existing 401(k) Plan. Please note that if you request a distribution to yourself, you will be subject to a mandatory 20% federal tax, and if you are under the age of 59½, it may also be subject to a 10% penalty tax which is assessed when you file your federal income tax form. Charles Schwab will be providing to you a detailed government prescribe notice concerning the tax effects of taking distributions from the 401(k) Plan.
- Q. How do I pay the outstanding balance on my 401(k) Loan?  
A. Contact Charles Schwab and Company at 800-724-7526 to pay the outstanding balance of your loan before you receive a distribution on your benefits from the 401(k) Plan. If you do not pay the outstanding balance, it becomes subject to ordinary income tax and will be reported to the IRS as a distribution.
- Q. Will my account still accumulate interest until the distribution is processed?  
A. Yes. Your account will be invested in the mutual funds you have selected until the distribution occurs.

### DEFERRED COMPENSATION

- Q. Is my account safe? Will I lose all the money that I have contributed?  
A. Deferred Compensation Plan funds are deposited into a trust. The trust is held as an asset of the company, and the disposition of all such assets is subject to judicial review. After that review, a decision concerning the disposition of the Deferred Compensation Plan assets will be made.
- Q. Now that I am no longer with the company, can I withdraw my account balance?  
A. No. Under the provisions of the trust, benefit distributions were frozen when the company filed its petition in bankruptcy. Therefore, distributions from the Deferred Compensation Plan are not permitted at this time.
- Q. May I request to receive a "hardship distribution" from the Deferred Compensation Plan?  
A. No. Distributions from the Deferred Compensation Plan are not permitted at this time.
- Q. When will I be able to request distribution from the Deferred Compensation Plan?  
A. We do not know at this time. If funds become available for withdrawal, you will be contacted.
- Q. Will my account continue to accumulate interest?  
A. Deferred Compensation Plan accounts are valued as of the last day of each month. Your account will be valued as of the last day of the month in which you were employed.

### BENEFITS

- Q. When do my health benefits end?  
A. Your health benefits ended on the last day of employment.
- Q. Why were health care deductions (medical, dental, vision, etc.) taken from the check that was paid on August 7<sup>th</sup>, and will they be taken again with the paycheck of August 8<sup>th</sup>?  
A. Employees are paid in arrears and health care benefit contributions are also taken in arrears. Accordingly, the amount taken from your paycheck was for benefits already provided to you.
- Q. Will I get COBRA?

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- A. Yes. COBRA packages are expected to be mailed to home addresses on file at the time of termination within the time periods set forth in the COBRA statute by our service provider, ADP COBRA Services during the week of August 27. Eligible former employees can also enroll online [www.benedirect.adp.com](http://www.benedirect.adp.com) once ADP has loaded their eligibility data.
- Q. Can I convert my supplemental life insurance policy?
- A. Yes. Please contact High Mark life Insurance Company at 800-833-1115, and they will provide you with an application. Return the completed application to High Mark Life within 30 days of your termination date. High Mark Life will contact the Benefits department to obtain employer information.
- Q. What about the Flexible Spending Accounts?
- A. The FSA will terminate as of your termination date. **Any expenses incurred while you were employed will be reimbursed up to the amount you contributed.** You have until October 31, 2007 to submit those claims.
- If you are eligible for COBRA under the healthcare FSA, you can continue to contribute into your healthcare FSA account on a post-tax basis after your employment terminates and for the rest of 2007. If you elect to continue your healthcare FSA account through COBRA, you **must pay the post-tax COBRA premiums directly to ADP.** You will be eligible to use the money in the account for services you incur after your termination date through the month that your healthcare FSA COBRA coverage terminates. If you are eligible for COBRA from the healthcare FSA, you will be receiving a separate COBRA notification for the healthcare FSA. You will be eligible for COBRA under the healthcare FSA if the amount of the COBRA premiums that you will be required to pay for COBRA coverage in the healthcare FSA for the rest of 2007 (including the 2% administrative charge) is less than the amount of the benefits that you can receive from the healthcare FSA for the balance of 2007.
- Q. What happens to disability?
- A. Short-term and long-term disability coverage will end on the last day of employment. These plans are not convertible or portable. Disability questions/claims can be directed to Karen Ullman and Courtney Dwyer or email [HR\\_Benefits@americanhm.com](mailto:HR_Benefits@americanhm.com)
- Q. Can I still use the Employee Assistance Program (EAP)?
- A. Terminated employees and their family members may use Employee Assistance Program services through August 31, 2007. Contact the EAP at **800-865-1044**.

### BUSINESS EXPENSES

- Q. How do I get reimbursed for Travel and Entertainment related expenses?
- A. Unpaid business expenses will become part of your overall employee claim, of which \$10,950 receives priority status under bankruptcy rules. To submit your expenses to be validated by the company and included as part of your overall claim, you should follow the steps below:
- 1) All requests must utilize the Expense Reimbursement form [[click here for the form](#)]. You no longer can access the Expense eXpert system for this purpose.
  - 2) All submissions need to include all receipts for expenditures of \$25 and greater along with relevant business descriptions.
  - 3) Reports and receipts should be faxed to "T/E Administrator" at 516.495.5882. **You should keep copies of all receipts and reports you send to AHM.**
  - 4) Your report will be reviewed and validated for claim purposes. AHM reserves the right to allow your claim only for those expenses deemed to be in the normal course of business and consistent with AHM T/E policy in place as of the Petition Date. Only eligible documented business expenses will be considered for your claim.
  - 5) Employees with American Express Corporate Cards are reminded that they are responsible for all personal expenses charged to the cards.
- Please refer to the Bankruptcy Claims Process section for additional information.

### POTENTIAL CLASS ACTIONS

- Q. I have been contacted about joining a class action against AHM involving the WARN Act. What is this about?
- A. The Worker Adjustment and Retraining Notification Act (WARN) Act is a federal law that requires employers in certain circumstances to provide notification 60 calendar days in advance of plant closings and mass layoffs. Under certain situations, an employer is permitted to provide less than 60 days notice, such as when the layoffs are caused by business circumstances that were not reasonably foreseeable at the time the notice normally would be required. The Company believes its layoffs were conducted in accordance with the law. Several former employees, however, have filed a complaint on their own behalf and on behalf of others alleging that their layoff was a violation of the WARN Act. If you were laid off you may be contacted about joining this lawsuit, but you are under no obligation at this point to join. If you believe your layoff was not in accordance with the WARN Act you may file a claim.

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### BANKRUPTCY CLAIMS PROCESS

Q. What is the process for filing a claim?

A. Claim forms and filings instructions are available in the [Online Bankruptcy Information](#) section of AHM's restructuring site on [www.americanhm.com](http://www.americanhm.com). However, you may not need to file a claim. In the next few weeks, American Home Mortgage will be filing a list of debts with the bankruptcy court called the Debtor's Schedules of Assets and Liabilities. Access to these schedules will be available through the Americanhm.com website, via the 'Online Bankruptcy Information' link. If you are owed money by AHM, you should be listed by name in the schedules, with an amount that AHM believes is owed to you. American Home Mortgage will then send to you a pre-printed, customized Proof of Claim Form that ties to the debtor's schedules of liabilities. If you agree with the claim amount in the schedule of liabilities, you most likely will not need to file a claim. If you are not listed or disagree with the amount listed, you will need to file a claim form.

Q. How much will I be paid?

A. The amount of payment on any claim will depend on the amount of remaining assets of the company which will be divided among the various claimants as required by the Bankruptcy Code. American Home Mortgage is required to file a chapter 11 plan in which it will propose to pay creditors a certain percentage of their claims in accordance with the Bankruptcy Code. The chapter 11 plan must be approved by the Bankruptcy Court before distributions will be made.

Your claim amount will be based on the amount scheduled by the company or the amount in the Proof of Claim you file. You will be notified of any changes to your claim amount or if your claim is rejected. In that instance, you will receive a Notice of Objection to your claim. You may wish to seek the representation of an attorney if this occurs.

The Bankruptcy Code allows up to \$10,950 of an employee's unsecured claim to be classified as a priority claim, which typically would receive recovery before any recovery to unsecured claims. Distribution on priority claims may not take place until the Bankruptcy Court approves American Home Mortgage's chapter 11 plan. You will receive a copy of the chapter 11 plan when it is filed.

Former Employees will not receive interest on the claim amount.

Q. When will I get paid?

A. Claims are paid after the chapter 11 plan is approved by the Court and the Plan becomes effective. Priority claims are paid in full soon after the Plan becomes effective. In contrast, holders of general unsecured claims are likely to receive only partial payment of their claims and their distributions will be made on a more extended timeframe. At this time, we are not able to provide you an estimate of the expected length of time it will take to resolve claims.

The timing for payments varies and will be set forth in the Plan. Again, you may monitor the following website for this information: <http://www.americanhm.com>.

**For all other HR related inquiries, please contact our HR Hotline at #888-474-2461.**

#### 2007 Benefit Plan Administrators

Plan	Group Number	Customer Service	Website
<b>Medical</b>			
Empire BCBS Maternity Care Program	<b>295801</b>	1-866-407-6469 1-800-537-7371 Mon-Fri 8:30a-8:00p est	<a href="http://www.empireblue.com/ahm">www.empireblue.com/ahm</a>
Kaiser Permanente Southern California Northern California	<b>121159</b> <b>600845</b>	1-800-464-4000 Mon-Fri 7:00a-7:00p pst Sat-Sun 7:00a-3:00p pst	<a href="http://www.kaiserpermanente.org">www.kaiserpermanente.org</a>

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<b>Prescription (Anthem Prescription M</b>			
Retail Pharmacy Benefits Mail Order Prescriptions	<b>295801</b>	1-866-407-6469 1-800-281-5994 Mon-Fri 8:30a-8:00p est	<a href="http://www.empireblue.com/ahm">www.empireblue.com/ahm</a>
<b>Dental</b>			
Aetna PPO Aetna DMO	<b>885917</b> <b>885917</b>	1-877-238-6200 Mon-Fri 8:00a-6:00p est	<a href="http://www.aetna.com">www.aetna.com</a>
MetLife PPO	<b>122132</b>	1-800-474-7371 Mon-Fri 8:30a-11:00p est	<a href="http://www.metlife.com">www.metlife.com</a>
<b>Vision</b>			
EyeMed Access H Plan	<b>9689746</b>	1-866-939-3633 Mon-Fri 8:00a-11:00p est	<a href="http://www.enrollwitheyemed.com">www.enrollwitheyemed.com</a>
EyeMed Access C Plan	<b>9689753</b>	1-866-939-3633 Mon-Fri 8:00a-11:00p est	<a href="http://www.enrollwitheyemed.com">www.enrollwitheyemed.com</a>
<b>ADP Benefit Services</b>			
COBRA / FSA		COBRA – 1-800-526-2720 FSA - 1-800-654-6695	COBRA - <a href="http://www.benedirect.adp.com">www.benedirect.adp.com</a> FSA - <a href="http://www.flexdirect.adp.com">www.flexdirect.adp.com</a>
<b>Life Insurance</b>			
HM Life Insurance Co. of NY	<b>893298-A</b>	1-800-235-6753	<a href="http://www.highmark.com">www.highmark.com</a>
<b>Disability</b>			
First Reliance Standard – Disability Claims Hotline		1-866-533-3438 Mon-Fri 8:00a-8:00p est	<a href="http://www.matrixefiling.com">www.matrixefiling.com</a>
<b>Employee Assistance Program</b>			
Anthem Employee Assistance Program (EAP)		1-800-865-1044 Mon-Sun 24 hours a day	<a href="http://www.anthemEAP.com">www.anthemEAP.com</a> Log on: American Home Mortgage
<b>401(k)</b>			
Charles Schwab & Co.		1-800-724-7526 Mon-Fri 7:00a-11:00p est	<a href="http://www.schwabplan.com">www.schwabplan.com</a>