

BERKOWITZ BRUCE R  
Form 4  
November 29, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
FAIRHOLME CAPITAL  
MANAGEMENT LLC

2. Issuer Name and Ticker or Trading Symbol  
AMERICAN INTERNATIONAL  
GROUP INC [AIG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
4400 BISCAYNE  
BOULEVARD, 9TH FLOOR

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/24/2010

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

(Street)  
MIAMI, FL 33137

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/24/2010		X		2,634,817	A	(\$ 41.23)
Common Stock	11/24/2010		X		311,497	A	(\$ 41.23)
Common Stock	11/24/2010		P		16,700	A	(\$ 41.23)
Common Stock	11/26/2010		P		86,500	A	(\$ 41.29)
					41,242,565	I	

See Footnote (3)

Common  
Stock

See  
Footnote  
(3)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)	Amount
				Code V (A) (D)		Date Exercisable Expiration Date	Title	Number Shares
Convertible Preferred Stock	<u>(1)</u>	11/24/2010		X	26,703,320	<u>(4)</u> <u>(4)</u>	Common Stock	2,634
Convertible Preferred Stock	<u>(1)</u>	11/24/2010	<u>(4)</u>	X	3,156,960	<u>(4)</u> <u>(4)</u>	Common Stock	311

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAIRHOLME CAPITAL MANAGEMENT LLC 4400 BISCAYNE BOULEVARD 9TH FLOOR MIAMI, FL 33137			X	
FAIRHOLME FUNDS INC C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C. 4400 BISCAYNE BOULEVARD, 9TH FLOOR MIAMI, FL 33137			X	
BERKOWITZ BRUCE R C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C. 4400 BISCAYNE BOULEVARD, 9TH FLOOR MIAMI, FL 33137			X	

## Signatures

Fairholme Capital Management, L.L.C. /s/ Bruce R. Berkowitz	11/29/2010
__Signature of Reporting Person	Date
Fairholme Funds, Inc. By: Fairholme Capital Management, L.L.C., Investment Manager /s/ Bruce R. Berkowitz	11/29/2010
__Signature of Reporting Person	Date
/s/ Bruce R. Berkowitz	11/29/2010
__Signature of Reporting Person	Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The exchange is for 0.09867 shares of the Issuer's common stock, par value \$2.50 per share, plus \$3.2702 in cash for each validly tendered and accepted unit of convertible preferred stock.
  - (2) These securities are directly owned by the The Fairholme Fund, a series of Fairholme Funds, Inc. (the "Fund"), which is a Reporting Person.  
  
The reported securities are directly owned by the Fund and Fairholme Focused Income Fund, each a series of Fairholme Funds, Inc., and managed accounts advised by Fairholme Capital Management, L.L.C. ("Fairholme"). The securities may be deemed to be beneficially owned by Fairholme, as the investment manager, and by Bruce R. Berkowitz ("Mr. Berkowitz") as the managing member of Fairholme.
  - (3) The Reporting Persons disclaim beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that the Reporting Persons are the beneficial owners of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
  - (4) The exchange offer for the convertible preferred stock expires on November 23, 2010.  
  
The reported securities are directly owned by the Fund and managed accounts advised by Fairholme. The securities may be deemed to be beneficially owned by Fairholme, as the investment manager, and by Mr. Berkowitz as the managing member of Fairholme. The
  - (5) Reporting Persons disclaim beneficial ownership in the securities reported on this Form 4 except to the extent of his or its pecuniary interest, if any, therein, and this report shall not be deemed to be an admission that the Reporting Persons are the beneficial owners of such securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.