

BERKOWITZ BRUCE R
Form 4
December 07, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)
12/03/2010

___ 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Preferred Stock | 12/03/2010 | | S | 20 D | \$ 7.26 2,126 ⁽¹⁾ | I | See Footnote ⁽²⁾ |
| Preferred Stock | 12/03/2010 | | S | 20 D | \$ 7.3 2,106 ⁽¹⁾ | I | See Footnote ⁽²⁾ |
| Preferred Stock | 12/03/2010 | | S | 80 D | \$ 7.29 2,026 ⁽¹⁾ | I | See Footnote ⁽²⁾ |
| Preferred Stock | 12/03/2010 | | S | 120 D | \$ 7.29 1,906 ⁽¹⁾ | I | See |

Edgar Filing: BERKOWITZ BRUCE R - Form 4

| | | | | | | | | | |
|-----------------|------------|--|---|---------|---|----------|------------------------------|------------------|------------------------|
| Stock | | | | | | | | | Footnote (2) |
| Preferred Stock | 12/03/2010 | | S | 20 | D | \$ 7.29 | 1,886 ⁽¹⁾ | I | See Footnote (2) |
| Preferred Stock | 12/03/2010 | | S | 1,880 | D | \$ 7.3 | 6 ⁽¹⁾ | I | See Footnote (2) |
| Preferred Stock | 12/03/2010 | | S | 6 | D | \$ 7.3 | 0 ⁽¹⁾ | D ⁽³⁾ | |
| Preferred Stock | | | | | | | 0 ⁽¹⁾ | I | See Footnote (2) |
| Common Stock | 12/03/2010 | | P | 394,541 | A | \$ 43.33 | 37,942,574 | D ⁽³⁾ | |
| Common Stock | 12/06/2010 | | P | 147,100 | A | \$ 43.56 | 38,089,674 | D ⁽³⁾ | |
| Common Stock | | | | | | | 41,949,459 ⁽⁴⁾ | I | See Footnote (5) |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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 of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |

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., By: /s/ Bruce R. Berkowitz | 12/07/2010 |
| **Signature of Reporting Person | Date |
| Fairholme Funds, Inc., By: Fairholme Capital Management, L.L.C., Investment Manager, By: /s/ Bruce R. Berkowitz | 12/07/2010 |
| **Signature of Reporting Person | Date |
| /s/ Bruce R. Berkowitz | 12/07/2010 |
| **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) These preferred securities were previously reported by the Reporting Persons on Table II because such shares were convertible to common shares, however, the offer to convert such shares to common stock expired on November 24, 2010.
The reported securities are directly owned by The Fairholme Fund (the "Fund"), 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. 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.
 - (3) These securities are directly owned by the Fund, which is a Reporting Person.
 - (4) This number includes 1 share received in the exchange offer on November 24, 2010, which was not reported on the Form 4 filed by the Reporting Persons on November 29, 2010.
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. 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 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.
 - (5) These securities are directly owned by the Fund, which is a Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Edgar Filing: BERKOWITZ BRUCE R - Form 4

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.