

BERKOWITZ BRUCE R  
Form 4  
December 07, 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)  
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 <sup>(1)</sup>  | I  | See Footnote <sup>(2)</sup>                           |
| Preferred Stock                 | 12/03/2010                           |  | S                              | 20 D  | \$ 7.3 2,106 <sup>(1)</sup>   | I  | See Footnote <sup>(2)</sup>                           |
| Preferred Stock                 | 12/03/2010                           |  | S                              | 80 D  | \$ 7.29 2,026 <sup>(1)</sup>  | I  | See Footnote <sup>(2)</sup>                           |
| Preferred Stock                 | 12/03/2010                           |  | S                              | 120 D   | \$ 7.29 1,906 <sup>(1)</sup>  | I  | See   |

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

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 of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported 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<br>4400 BISCAYNE BOULEVARD<br>9TH FLOOR<br>MIAMI, FL 33137                              |               |           | X       |       |
| FAIRHOLME FUNDS INC<br>C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C.<br>4400 BISCAYNE BOULEVARD, 9TH FLOOR<br>MIAMI, FL 33137 |               |           | X       |       |
| BERKOWITZ BRUCE R<br>C/O FAIRHOLME CAPITAL MANAGEMENT, L.L.C.<br>4400 BISCAYNE BOULEVARD, 9TH FLOOR<br>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,<br>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.
- (2) These securities are directly owned by the Fund, which is a Reporting Person.
- (3) 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.
- (4) These securities are directly owned by the Fund, which is a Reporting Person.
- (5) 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.

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

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