

BERKOWITZ BRUCE R
Form 4
December 09, 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)
12/07/2010

____ Director
____ Officer (give title below)
__X__ 10% Owner
____ 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)
			Code	V Amount (D) Price			
Common Stock	12/07/2010		P	680,900 A \$ 44.04	38,770,574	D (1)	
Common Stock	12/08/2010		P	8,300 A \$ 43.92	38,778,874	D (1)	
Common Stock					42,638,659	I	See Footnote (2)

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

SEC 1474 (9-02)

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 securities are directly owned by The Fairholme Fund (the "Fund"), a series of Fairholme Funds, Inc.

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 as the managing member of Fairholme. The Reporting

- (2) 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.