

WALSH NICHOLAS C
Form 4
October 04, 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 *
WALSH NICHOLAS C

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)
AMERICAN INTERNATIONAL GROUP, INC., 70 PINE STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/30/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EXECUTIVE VICE PRESIDENT

NEW YORK, NY 10270

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Code V Amount (D) Price | | |

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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) |
|-----------------------------|--|----------------------|-----------------|--|-----------------------|-----------------------------|
| | | | Code V | (A) | (D) | Title |
| | | | | | Date Exercisable | Expiration Date |
| Long-Term Performance Units | \$ 39.1 ⁽¹⁾ | 09/30/2010 | A | 936.7057 ₍₂₎ | | ⁽³⁾ COMMON STOCK |
| Restricted Stock Unit | \$ 30.12 ₍₄₎ | 10/01/2010 | M | | 886.83 ₍₅₎ | ⁽³⁾ COMMON STOCK |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WALSH NICHOLAS C AMERICAN INTERNATIONAL GROUP, INC. 70 PINE STREET NEW YORK, NY 10270 | | | EXECUTIVE VICE PRESIDENT | |

Signatures

KATHLEEN E. SHANNON, POA FOR NICHOLAS C. WALSH

 **Signature of Reporting Person

10/04/2010

 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) Represents AIG's share price on the date of grant; these securities do not carry a conversion or exercise price.
 This award represents the portion of a grant of fully vested LPTUs that is based on the value of common stock, net of the value of 27.7018 shares withheld for taxes. The LTPUs are based on a mix of common stock and AIG's 8.175% Series A-6 Junior Subordinated Debentures (the "Hybrid Securities"), and represent 20 percent common stock and 80 percent Hybrid Securities, by value, on the date of grant. One third of the award will be payable in cash based on the values of the underlying securities on the first anniversary of the grant date, one third based on the values on the second anniversary and one third based on the values on the third anniversary. The Reporting Person disclaims that the reported portion of the LTPUs is a "derivative security" required to be reported under Section 16 of the Securities Exchange Act of 1934.
- (3) These securities do not have an exercisable date or expiration date.
- (4) These securities do not carry a conversion or exercise price.
- (5) Represents payout of \$34,462.33, net of applicable taxes, in stock salary payable in cash based on AIG's share price on the first anniversary of the deemed grant date, to be paid on the next payroll date.

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.