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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 31, 2009

AMERICAN INTERNATIONAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-8787

(Commission File Number)

13-2592361

(IRS Employer
Identification No.)

**70 Pine Street
New York, New York 10270**

(Address of principal executive offices)

Registrant's telephone number, including area code: **(212) 770-7000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

Section 7 — Regulation FD

Item 7.01. Regulation FD Disclosure.

On August 31, 2009, AIG issued a press release announcing that AIG, AIG's former Chairman and Chief Executive Officer Maurice R. Greenberg and AIG's former Chief Financial Officer Howard I. Smith have agreed on terms for binding arbitration of various legal disputes between AIG, on the one hand, and Messrs. Greenberg and Smith, on the other. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein. The Agreement for Binding Arbitration between AIG and Messrs. Greenberg and Smith is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference herein.

Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Agreement for Binding Arbitration, dated as of August 31, 2009, between American International Group, Inc. and Maurice R. Greenberg and Howard I. Smith.

Exhibit 99.1 Press release of American International Group, Inc. dated August 31, 2009.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.
(Registrant)

Date: August 31, 2009

By: /s/ Kathleen E. Shannon

Name: Kathleen E. Shannon

Title: Senior Vice President and Secretary

**Agreement for Binding Arbitration Between
American International Group, Inc. and
Maurice R. Greenberg and Howard I. Smith**

1. The parties agree that the following claims shall be submitted immediately to binding arbitration.

All claims of American International Group, Inc. ("AIG") against Maurice R. Greenberg ("Greenberg") and Howard I. Smith ("Smith") in *American International Group, Inc. Consolidated Derivative Litigation*, Civil Action No. 769-VCS (Del. Ch.) ("the Delaware Derivative Action"); all claims of AIG against Greenberg and Smith in *In re American International Group, Inc. Derivative Litigation*, Master File No. 04 Civ. 8406 (DLC) ("the New York Derivative Action"); and all claims of Greenberg and Smith against AIG for advancement or indemnification.

The parties do not purport to include in the arbitration any claims currently being prosecuted in pending cases by AIG shareholders against Greenberg and/or Smith.

2. The parties will consider whether to arbitrate: (1) AIG's claims against Starr International Company, Inc. ("SICO") in *Starr International Company, Inc. v. American International Group, Inc.*, No. 05 Civ. 6283 (JSR) (S.D.N.Y.) (the "federal SICO case"), and against Greenberg, Smith and the other defendants in *American International Group, Inc. v. Greenberg et al.*, N.Y. Sup. Ct., Index No. 600885/08 (Ramos, J.) (the "state SICO case"), after final decision on any appeals in the federal SICO case; (2) Greenberg's and related entities' subprime-related claims against AIG (*Greenberg v. American International Group, Inc.*, 09 Civ. 1885 (LTS) (S.D.N.Y.); *Starr Foundation v. American International Group, Inc.*, N.Y. Sup. Ct., Index No. 601380/08; and *Starr International Company, Inc. v. American International Group, Inc.*, No. 4021-09 (Juzgado 16 del Primer Circuito Judicial de Panamá) (collectively, the "subprime cases")) after final decisions have been rendered on defendants' motions to dismiss those actions; and (3) any other claims by or between the parties, their agents, and affiliates if and when they arise. In the meantime, the parties agree to immediately stay all other proceedings in the state SICO case and the subprime cases with regard to all defendants in those cases. The parties also agree, where necessary, to submit stipulations to effectuate such stays as soon as practicable.

3. The arbitration will be determined by a single arbitrator (the "Arbitrator"), who shall be agreed to by the parties as set forth in this paragraph. By September 15, 2009, each party will propose an initial list of five (5) individual's

names, together with their addresses and professional affiliations. The proposed individuals must be impartial and unbiased and have no significant current or former financial, business or personal relationship with any party, and must have substantial experience with arbitration and with shareholder class and derivative actions concerning accounting issues. The parties shall negotiate in good faith until September 30, 2009, to select an individual from one of the parties' lists. If no arbitrator is selected from the initial lists, the parties agree that JAMS will appoint an arbitrator meeting the qualifications set out in this paragraph.

4. The arbitration shall take place in New York City and, except as set out by this Agreement, or ordered by the Arbitrator, shall be conducted pursuant to the American Arbitration Association's Procedures for Large, Complex Commercial Disputes ("AAA Rules").

5. The arbitration shall be commenced forthwith. Accordingly, the preliminary hearing pursuant to Rule L-3 of the AAA Rules shall be held no later than October 15, 2009. The arbitration shall be concluded no later than March 31, 2010.

6. The parties desire that the arbitration be conducted in a fair and efficient manner, and the Arbitrator shall have full and final authority to resolve all issues regarding the arbitration, including the scope and conduct of discovery and the scope and conduct of the hearing, and shall have full discretion in fashioning appropriate relief.

7. All of the Arbitrator's decisions on all matters shall be final, binding and not appealable by any party in any manner whatsoever, unless and to the extent the Arbitrator rules on an issue not submitted to arbitration pursuant to paragraph 1 above, or in a manner that violates this Agreement. The parties agree that any order by the Arbitrator may be enforced in any court having jurisdiction over the matter.

8. The Arbitrator's rulings shall identify the issues being decided and state the relief awarded, if any. The Arbitrator shall not issue any ruling, or any other writing, that contains any findings of fact or conclusions of law, or any other analyses or reasoning.

9. The only documents or other information concerning the arbitration that shall be made public is the arbitrator's final ruling and award. Other than disclosing the existence of the arbitration in a joint press release subject to mutual approval of the parties, the parties will not issue, or cause to be issued, any public statements, or statements to any third parties, regarding the arbitration or its subject matter, unless the party is advised by counsel that such disclosure is required to comply with state or federal law or is required to enforce an order issued by the Arbitrator. The parties also will not share any documents or other information produced or generated in the arbitration with any third party, other than lawyers, accountants, or other persons who

require such information to perform their regular duties for that party. Notwithstanding the above, AIG may disclose documents or other information concerning the arbitration to representatives of the Federal Reserve Bank of New York, the Federal Reserve Board, the U.S. Department of the Treasury, and the Trustees of the AIG Credit Facility Trust.

10. Nothing in this agreement precludes the parties from engaging in settlement discussions at any time, either on their own or with the assistance of a third party mediator, and the parties agree that they will meet to discuss settlement prior to the preliminary hearing.

DATED: August 31, 2009

/s/ David Boies

David Boies
Boies, Schiller & Flexner LLP
333 Main Street
Armonk, New York 10504
On behalf of Maurice R. Greenberg

/s/ Daniel J. Kramer

Daniel J. Kramer
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
On behalf of American International Group, Inc.

/s/ Vincent A. Sama

Vincent A. Sama
Winston & Strawn LLP
200 Park Avenue
New York, New York 10166
On behalf of Howard I. Smith

News



Contact: Mark Herr
212-770-3505

**AIG, MAURICE R. GREENBERG AND HOWARD I. SMITH AGREE TO
BINDING ARBITRATION**

NEW YORK, August 31, 2009 — American International Group, Inc. (AIG), its former Chairman and Chief Executive Officer Maurice R. Greenberg, and its former Chief Financial Officer Howard I. Smith jointly announced today that they have agreed on terms for binding arbitration of various legal disputes between AIG, on the one hand, and Greenberg and Smith, on the other. The terms of the arbitration are set forth in a written agreement being made public today. The parties have concluded that it is preferable to resolve as many of their disputes as possible in a private setting, and in a more expeditious and cost-effective manner. The arbitration will commence no later than October 15, 2009, and will conclude by March 31, 2010.

###

American International Group, Inc. (AIG), a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.

###

American International Group, Inc.
70 Pine Street, New York, NY 10270