
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): November 25, 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))
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Section 7 — Regulation FD

Item 7.01. Regulation FD Disclosure.

On November 25, 2009, American International Group, Inc. (“AIG”) issued a press release announcing that AIG, AIG’s former Chairman Maurice R. Greenberg, and AIG’s former Chief Financial Officer Howard I. Smith, C.V. Starr & Company, Inc. (“C.V. Starr”), and Starr International Company, Inc. (“SICO”) have entered into an agreement to settle all disputes between AIG, on the one hand, and Messrs. Greenberg and Smith and C.V. Starr and SICO 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 into this Item 7.01 by reference. The Memorandum of Understanding between AIG, on the one hand, and Messrs. Greenberg and Smith and C.V. Starr and SICO on the other, is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Memorandum of Understanding dated November 25, 2009, between AIG, Maurice R. Greenberg, Howard I. Smith, C.V. Starr and SICO.

Exhibit 99.1 Press release of American International Group, Inc. dated November 25, 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: November 25, 2009

By: /s/ Kathleen E. Shannon
Name: Kathleen E. Shannon
Title: Senior Vice President and Secretary

**Memorandum of Understanding Between American
International Group, Inc., C.V. Starr & Company, Inc.,
Starr International Company, Inc.,
Maurice R. Greenberg, and Howard I. Smith**

WHEREAS, the parties to this Memorandum of Understanding (the "MOU") have disputes pending between them, and

WHEREAS, the parties to the MOU desire to resolve their disputes, and

WHEREAS, the parties to the MOU have participated in a mediation before the Honorable Layn R. Phillips to attempt to resolve those disputes, and Hon. Phillips has recommended that the parties resolve their disputes according to the terms herein,

IT IS HEREBY AGREED by and between the undersigned parties to this MOU, that:

1. All actions by or against American International Group, Inc., and its current and former officers, directors, partners, members, affiliates, subsidiaries, employees, agents, attorneys, insurers, representatives, heirs, successors in interest and assigns (collectively, the "AIG Parties"), on the one hand, and C.V. Starr & Company, Inc., Starr International Company, Inc. ("SICO"), Maurice R. Greenberg ("Greenberg") and Howard I. Smith ("Smith") and their current and former officers, directors, partners, members, affiliates, subsidiaries, employees, agents, attorneys, insurers, representatives, heirs, successors in interest and assigns (collectively, the "Starr Parties"), on the other hand, as well as any claims between the AIG Parties and the Starr Parties that could have been brought, arising in whole or in part prior to the date of this MOU, whether asserted or unasserted, are hereby resolved pursuant to the terms set forth below.

2. As soon as practical after the signing of this MOU, the Starr Parties and the AIG Parties (the "Parties") shall undertake to dismiss, with prejudice, all lawsuits and claims they have filed or asserted against each other, including those that are listed on Exhibit A hereto.

3. The Starr Parties and the AIG Parties hereby release and forever discharge each other from any and all claims, debts, demands, rights or causes of action or liabilities whatsoever, known or unknown, that could have been brought by the Parties as of the date of this MOU. The Starr Parties further hereby release and forever discharge AIG from any claims, debts, demands, rights or causes of action or liabilities whatsoever that any of the Starr Parties may have in the future against AIG for advancement, indemnification or contribution.

4. AIG agrees to reimburse Greenberg and Smith's reasonable legal fees and expenses, not including any amounts paid in settlement, up to a maximum amount of \$150 million, that (a) they have incurred, (b) in connection with indemnifiable civil matters, and (c) on which they have been successful (as defined under Delaware law). The parties agree that Hon. Layn R. Phillips will have sole authority to determine which matters meet these conditions and will oversee a process for reviewing legal bills and appropriate back-up documentation to determine the reasonableness of the fees and expenses requested relating to those matters. In the event Greenberg and Smith do not submit legal fees and expenses meeting these conditions that total \$150 million, they shall receive such lesser amount as Hon. Phillips determines satisfies the conditions. In no event shall Greenberg and Smith be entitled to receive more than \$150 million pursuant to this paragraph. Greenberg and Smith represent that no other party had an obligation to indemnify them for these amounts, except with respect to the 2004-2005 D&O insurance tower described below.

5. AIG will return to Greenberg the property listed on Exhibit B hereto subject to AIG confirming that it has possession of such items.

6. AIG will permit Greenberg reasonable access to, and/or copies of, archival materials in AIG's possession necessary to write his memoirs, including without limitation trip reports, memoranda, photographs and other corporate records created while he was an officer or director of AIG or its predecessors.

7. The AIG Parties agree not to issue any public statement, or to cause the issuance of any public statement, disparaging any of the Starr Parties; and the Starr Parties agree not to issue any public statement, or to cause the issuance of any public statement, disparaging any of the AIG Parties. The Parties agree that this provision shall not limit the position(s) any of the Parties may take in any pending or future litigation.

8. In connection with the resolution of their disputes as set forth herein, AIG and the Starr Parties shall issue a joint public statement in the form annexed hereto as Exhibit C.

9. SICO will indemnify AIG for any amounts paid by AIG to the Starr Foundation as damages or settlement amounts in the action captioned *Starr Foundation v. AIG*, No. 601380/08 (N.Y. Sup. Ct., N.Y. Cty.), and for reasonable legal fees and expenses incurred by AIG in connection with that action, including appeals, after the date of this MOU.

10. The Parties agree that they will submit their claims to the 2004-2005 D&O insurance tower to arbitration before Hon. Daniel Weinstein, who will determine their relative rights to the policy proceeds.

11. The Parties agree that Hon. Layn R. Phillips (and, if he is unable to serve, Hon. Daniel Weinstein) will have exclusive and binding authority to interpret and resolve any disputes arising in whole or in part from this MOU.

/s/ Daniel J. Kramer

Daniel J. Kramer
PAUL, WEISS, RIFKIND, WHARTON
& GARRISON LLP
1285 Avenue of Americas
New York, New York 10019
On behalf of American International Group, Inc.

/s/ David Boies

David Boies
BOIES, SCHILLER & FLEXNER LLP
333 Main Street
Armonk, New York 10504
*On behalf of Maurice R. Greenberg, C. V.
Starr & Co., Inc, and Starr International
Co., 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

EXHIBIT A [Actions Which The Parties Will Undertake To Dismiss With Prejudice]¹

The Starr Parties will undertake to dismiss with prejudice:

1. *Greenberg v. AIG*, No. 09 Civ. 1885 (S.D.N.Y.); and
2. *Starr Int'l Co., Inc. v. AIG*, No. 4021-09 (Juzgado 16 del Primer Circuito Judicial de Panamá).

The AIG Parties will undertake to dismiss with prejudice:

1. *AIG v. Greenberg*, No. 769-VCS (Del. Ch.);
2. *AIG v. Greenberg*, No. 600885/08 (N.Y. Sup. Ct., N.Y. Cty.); and
3. AIG's claims in *In re AIG Deriv. Litig.*, No. 04 Civ. 8406 (S.D.N.Y.).

The claims in the following case are subject to Paragraph 11 of this MOU:

1. *Great American Ins. Co. v. AIG*, No. 09 Civ. 4476 (S.D.N.Y.).

¹ Certain of the actions listed herein involve claims that AIG does not control and/or claims brought on behalf of individuals or entities who are not parties to this MOU; such claims are accordingly not subject to the terms of this MOU.

EXHIBIT B [Personal Property To Be Returned To Greenberg]

1. Photographs of Mr. Greenberg and Cornelius Vander Starr located in AIG's Washington, D.C. office.
 2. Photographs of Mr. Greenberg and Chinese leaders in AIG's Shanghai building.
 3. Persian rug previously located in anteroom of board room on 18th floor of 70 Pine Street.
 4. Any other materials of a personal nature that are not AIG business records that were located in AIG facilities at the time of Mr. Greenberg's retirement and that are still maintained in such facilities.
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EXHIBIT C [Joint Public Statement]

AIG, Greenberg and Smith Announce Resolution of All Disputes

Agreement between parties ends multiple cases

NEW YORK, NY, November 25, 2009 — American International Group, Inc. (AIG), its former Chairman Maurice R. “Hank” Greenberg, its former Chief Financial Officer Howard I. Smith, C.V. Starr & Company, Inc. (“C.V. Starr”), and Starr International Company, Inc. (“SICO”) announced today that they have entered into an agreement to settle all disputes between AIG, on the one hand, and Greenberg, Smith, C.V. Starr and SICO, on the other.

Under the terms of the settlement, the parties have agreed to release each other from all claims, including any claims by Greenberg and Smith against AIG for indemnification of future legal fees and expenses or settlement costs. The parties have further agreed to submit to an independent third party Greenberg’s and Smith’s claims for past legal fees and expenses for a determination of which of those fees (up to a \$150 million cap) AIG is legally obligated to pay under AIG’s charter and by-laws and Delaware law.

“We are pleased that we have resolved our differences” said Robert Benmosche, AIG’s chief executive officer. “The resolution of these long-running disputes will remove a significant distraction and expense and allow AIG to better focus its efforts on paying back taxpayers and restoring the value of our franchise for the benefit of all our stakeholders.”

“I too am pleased that these long-running disputes are now over, and I want to express my appreciation for Bob Benmosche’s help, and the help of the AIG Board, in resolving them. I look forward to assisting AIG in trying to preserve and restore as much value as possible for all of AIG’s stakeholders,” said Mr. Greenberg. Mr. Smith concurs with Mr. Greenberg’s statement.

The details of the settlement are set forth in the November 25, 2009 Memorandum of Understanding attached to AIG’s Form 8-K filing dated November 25, 2009.

News



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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.

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