#### AMERICAN FINANCIAL GROUP INC

Form 4

September 14, 2006

# FORM 4

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

OMB Number: 3235-0287

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Expires: January 31, 2005
Estimated average

0.5

**OMB APPROVAL** 

Form 4 or Form 5 obligations may continue.

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

**SECURITIES** 

burden hours per response...

See Instruction

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * EVANS JAMES E	2. Issuer Name <b>and</b> Ticker or Trading Symbol AMERICAN FINANCIAL GROUP INC [AFG]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)		
(Last) (First) (Middle) ONE EAST FOURTH STREET	3. Date of Earliest Transaction (Month/Day/Year) 09/13/2006	X Director 10% OwnerX Officer (give title Other (specify below) Sr. V. Pres. & Gen. Counsel		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
CINCINNATI, OH 45202		Person		

(City)	(State)	(Zip) Tabl	e I - Non-I	Derivative	Secur	ities Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	Transaction(A) or Disposed of (D) Code (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)	
Common Stock	09/13/2006		Code V S	Amount 600	(D)	Price \$ 47.89	175,819	D	
Common Stock	09/13/2006		S	900	D	\$ 47.9	174,919	D	
Common Stock	09/13/2006		S	1,000	D	\$ 47.91	173,919	D	
Common Stock	09/13/2006		S	7,500	D	\$ 47.92	166,419	D	
Common Stock	09/13/2006		S	3,100	D	\$ 47.93	163,319	D	

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Common Stock	09/13/2006	S	3,800	D	\$ 47.94	159,519	D	
Common Stock	09/13/2006	S	6,600	D	\$ 47.95	152,919	D	
Common Stock	09/13/2006	S	3,300	D	\$ 47.96	149,619	D	
Common Stock	09/13/2006	S	1,100	D	\$ 47.97	148,519	D	
Common Stock	09/13/2006	S	1,300	D	\$ 47.98	147,219	D	
Common Stock	09/13/2006	S	2,300	D	\$ 47.99	144,919	D	
Common Stock	09/13/2006	S	2,600	D	\$ 48	142,319	D	
Common Stock	09/13/2006	S	3,100	D	\$ 48.01	139,219	D	
Common Stock	09/13/2006	S	300	D	\$ 48.02	138,919	D	
Common Stock	09/13/2006	S	100	D	\$ 48.03	138,819	D	
Common Stock	09/13/2006	S	2,300	D	\$ 48.04	136,519	D	
Common Stock	09/13/2006	S	18,400	D	\$ 48.05	118,119	D	
Common Stock	09/13/2006	S	100	D	\$ 48.06	118,019	D	
Common Stock	09/13/2006	S	700	D	\$ 48.07	117,319	D	
Common Stock	09/13/2006	M	6,664	A	\$ 30.01	123,983	D	
Common Stock	09/13/2006	F	4,172	D	\$ 47.93	119,811	D	
Common Stock						5,963.778	I	ESPP (1)
Common Stock						24.4627	I	DRIP (2)
Common Stock						0	I	401-k

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 (9-02)

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# 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. Transacti Code (Instr. 8)	5. Number on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exer Expiration D (Month/Day	ate	7. Title and Underlying (Instr. 3 and	Securities
				Code V	ŕ	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option	\$ 30.01	09/13/2006		M	6,664	(3)	02/27/2014	Common Stock	6,664

### **Reporting Owners**

Reporting Owner Name / Address	Relationships
Reporting Owner Name / Address	

Director 10% Owner Officer Other

EVANS JAMES E

ONE EAST FOURTH STREET X Sr. V. Pres. & Gen. Counsel CINCINNATI, OH 45202

## **Signatures**

James E. Evans By: Karl J. Grafe, as
Attorney-in-Fact

09/14/2006

\*\*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) Shares allocated to the Reporting Person's account under the Issuer's Employee Stock Purchase Plan (the "ESPP"). All ESPP information reporting herein is based on a plan statement dated as of December 31, 2005.
- (2) Issuer's Dividend Reinvestment Plan (the "DRIP"). All DRIP information reported herein is based on a plan statement dated as of December 31, 2005.
- These Employee Stock Options ("Options") become exercisable as to 20% of the shares initially granted on the first anniversary of the date of grant, with an additional 20% becoming exercisable on each subsequent anniversary. The Options were granted under the Issuer's Stock Option Plan pursuant to Rule 16b-3.
- (4) The Reporting Person exercised this stock option using previously held shares of the issuer.

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

Reporting Owners 3

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