

AMERICAN FINANCIAL GROUP INC
 Form 4
 September 14, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 EVANS JAMES E

2. Issuer Name and Ticker or Trading Symbol
 AMERICAN FINANCIAL GROUP INC [AFG]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 09/13/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Sr. V. Pres. & Gen. Counsel

ONE EAST FOURTH STREET

(Street)

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

CINCINNATI, OH 45202

(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 (A) or (D) Price | | | |
| Common Stock | 09/13/2006 | | S | 600 D \$ 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

SEC 1474
(9-02)

required to respond unless the form displays a currently valid OMB control number.

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. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. 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 | | | |
|---|---------------|-----------|-----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| EVANS JAMES E ONE EAST FOURTH STREET CINCINNATI, OH 45202 | X | | Sr. V. Pres. & Gen. Counsel | |

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.
- (3) 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.

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