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ARIZONA CORPORATION COMMISSION

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SECURITIES DIVISION
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July 29, 1992

Patricia L. McKeogh, Esq.
Cadwalader, Wickersham & Taft
100 Maiden Lane
New York, NY 10038

RE: AIG Liquidity Corp./American International Group, Inc.
No-Action Request
A.R.S. §§ 44-1843(A)(1) and 44-1843(A)(7)

Dear Ms. McKeogh:

The Securities Division has received and reviewed your letter of July 6, 1992, requesting a no-action position on the above-referenced issue.

The Division understands from your letter that the Bonds are exempt under A.R.S. § 44-1843(A)(1). As a no-action position was not requested with respect to this issue, the Division declines to address the applicability of the exemption. The Division considers the Liquidity Facility Obligations and the Guarantee Obligations to be integral parts of the Bonds, which are not separable from the Bonds and which have no value apart from the Bonds. Therefore, based on the facts set forth in your letter, and in reliance upon your opinion as counsel, the Securities Division will not recommend enforcement action for violation of the Securities Act of Arizona should the transaction take place as set forth in your letter.

As this position is premised upon the facts set forth in your letter, it should not be relied on for any other set of facts or by any other person. Please also note that this position applies only to the registration requirements of the Act; the anti-fraud provisions of the Act continue to be applicable.

Please be aware that dealer registration is required for securities exempt under A.R.S. §44-1843(A)(1), as set forth in the provisions of A.A.C. R14-4-104(A)(5).

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We have attached a photocopy of your letter. By doing this we are able to avoid having to recite or summarize the facts set forth therein.

Very truly yours,



DEE RIDDELL HARRIS
Director of Securities

DRH:JB

Attachment

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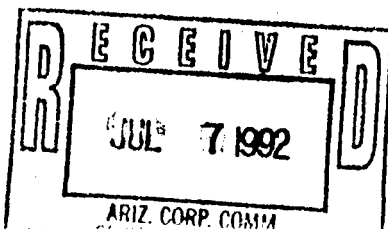
Securities Division
Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: AIG Liquidity Corp.
Liquidity Facility Obligations
American International Group, Inc.
Guarantee Obligations
Request for Interpretive Opinion
or "No-Action" Letter under
Sections 44-1843(A) (7)
and 44-1843(A) (1)

Dear Sir or Madam:

On behalf of AIG Liquidity Corp., a Delaware corporation ("AIG-LC") and American International Group, Inc., a Delaware corporation ("AIG" and, together with AIG-LC, the "Issuers"), enclosed please find a copy of the Issuers' Registration Statement on Form S-3 (the "Registration Statement"), relating to AIG-LC's payment obligations under certain standby bond purchase agreements ("Liquidity Facility Obligations"), and AIG's guarantees thereof (the "Guarantee Obligations" and, together with the Liquidity Facility Obligations, the "Obligations") with respect to one or more series of variable rate bonds (the "Bonds"), issued by various municipal issuers.

Assuming that each of the Liquidity Facility Obligations and the Guarantee Obligations will be deemed "securities" within the meaning of your Blue Sky law (the "Act"), we hereby request an interpretive opinion or "no-action" letter from you to the effect that:



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- (i) the Guarantee Obligations are "exempt securities" under the Act; and
- (ii) the Liquidity Facility Obligations are similarly exempted securities.

EXEMPTION OF GUARANTEE OBLIGATIONS

As more fully set forth in the Preliminary Prospectus included in the Registration Statement, AIG, the issuer of the Guarantee Obligations, is a major insurance holding company. AIG's Common Stock, par value \$2.50 per share, is listed on the New York Stock Exchange, Inc. Accordingly, we believe that the Guarantee Obligations are "exempt securities" under Section 44-1843(A)(7) of the Act, as securities senior to AIG's Common Stock, and no further action need be taken in order to offer and sell the Guarantee Obligations in your state.

EXEMPTION OF LIQUIDITY FACILITY OBLIGATIONS

We further believe, assuming that all Bonds for which Liquidity Facility Obligations are issued are exempt securities under Section 44-1843(A)(1) of the Act, that such Liquidity Facility Obligations should likewise be exempt under Section 44-1843(A)(1), for the reason that the Liquidity Facility Obligations are merely a standby device securing certain tender option rights and mandatory tender provisions constituting an integral part of the Bonds "package"; i.e., the Liquidity Facility Obligations are not being offered separately from the Bonds, are not severable from the Bonds, have no value apart from the Bonds, and may not be separately traded. (While we believe that the Guarantee Obligations are separately exempt, as indicated above, we believe they are likewise entitled to exemption on this same basis.)

In this connection, we refer you to the rules or statutory provisions adopted by California (1 Blue Sky L. Rep. (CCH) ¶11,820F), Georgia (1A Blue Sky L. Rep. (CCH) ¶18,108), Louisiana (1A Blue Sky L. Rep. (CCH) ¶28,138), Missouri (2 Blue Sky L. Rep. (CCH) ¶35,502), Oregon (2 Blue Sky L. Rep. (CCH) ¶47,103), Wisconsin (3 Blue Sky L. Rep. (CCH) ¶64,511), and Wyoming (3 Blue Sky L. Rep. (CCH) ¶66,432), to the effect that arrangements such as the Liquidity Facility Obligations fall within the scope of their respective exemptions for municipal and other governmental securities.

In the alternative, we believe that the Liquidity Facility Obligations should be exempt under Section 44-1843(A)(7) of the Act, for the reason that although the Liquidity Facility Obligations are not direct obligations of AIG, by reason of AIG's

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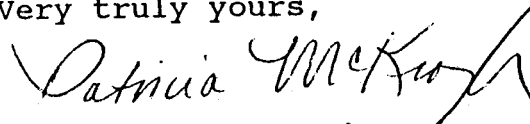
Guarantee Obligations and the status of AIG-LC as a wholly-owned consolidated subsidiary of AIG, the Liquidity Facility Obligations are, in reality, senior to the listed Common Stock of AIG.

Also enclosed please find a check for \$200 in payment of the fee for "no-action" letters or interpretive opinions under the Act.

We would greatly appreciate an expeditious response to this request. Should you have any questions or require any additional information with respect to this matter, please call the undersigned or, in my absence, Alan M. Parness of this firm, at 212-504-6000.

Please stamp the enclosed copy of this letter to acknowledge receipt of this filing and return same in the self-addressed stamped envelope provided for that purpose.

Very truly yours,



Patricia L. McKeogh

Enclosures