

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO 13d-2(a)

Amendment #3

American Financial Group, Inc.

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(Name of Issuer)

Common Stock, No Par Value

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(Title of Class of Securities)

025932 10 4

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(CUSIP Number)

Karl J. Grafe, Esq.  
One East Fourth Street  
Cincinnati, Ohio 45202  
(513) 579-2540

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(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

See Item 4

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(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box [ ]

- 1 **NAME OF REPORTING PERSONS**  
**S.S. OR I.R.S. IDENTIFICATION, NOS. OF ABOVE PERSONS**  
Carl H. Lindner III
- 2 **CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*** (a)   
(b)
- 3 **SEC USE ONLY**
- 4 **SOURCE OF FUNDS\***  
N/A
- 5 **CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS**  
**IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)**
- 6 **CITIZENSHIP OR PLACE OF ORGANIZATION**  
United States Citizen
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON**  
**WITH:**
- 7 **SOLE VOTING POWER**  
4,907,082
- 8 **SHARED VOTING POWER**  
674,174
- 9 **SOLE DISPOSITIVE POWER**  
6,375,582
- 10 **SHARED DISPOSITIVE POWER**  
674,174
- 11 **AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING**  
**PERSON**  
10,497,075
- 12 **CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)**  
**EXCLUDES CERTAIN SHARES\***
- 13 **PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**  
9.0%
- 14 **TYPE OF REPORTING PERSON\***  
IN
-

**Item 1. Security and Issuer.**

This Schedule 13D is filed on behalf of Carl H. Lindner III (the "Reporting Person"), to amend and update his Schedule 13D filed May 11, 2004, relative to the Common Stock, No Par Value per share ("Common Stock") issued by American Financial Group, Inc. (referred to herein as "AFG").

The principal executive offices of AFG are located at One East Fourth Street, Cincinnati, Ohio 45202. All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Schedule 13D, as amended.

**Item 2. Identity and Background.**

- (a) Carl H. Lindner III
- (b) One East Fourth Street, Cincinnati, Ohio 45202
- (c) Individual Investor
- (d) None
- (e) None
- (f) United States Citizen

**Item 3. Source and Amount of Funds or Other Consideration.**

N/A

**Item 4. Purpose of Transaction.**

The Reporting Person considers his beneficial ownership of AFG equity securities as an investment which he continues to evaluate. Although he has no present plans to do so, from time to time the Reporting Person may acquire additional AFG equity securities or dispose of some or all of the AFG equity securities which he beneficially owns.

Except as set forth in this Item 4, the Reporting Person presently has no plans or proposals that relate to or would result in any of the actions specified in clauses (a) through (j) of Item 4 of Schedule 13D.

**Item 5. Interest in Securities of the Issuer.**

As of August 7, 2009, the Reporting Person beneficially owned 10,497,075 shares (or approximately 9.0% of the outstanding shares) of American Financial Common Stock which amount includes, 34,901 shares held by a trust over which his spouse has voting and dispositive power, 526,182 shares held in trust over which his spouse has dispositive power, 36,943 shares held by a trust over which one of his children has voting and dispositive power, 2,376 shares held by the Reporting Person as Custodian for a relative, 113,091 shares held in trust for a relative over which his spouse has dispositive power, 1,468,500 shares held in a limited liability company over which shares he holds dispositive power, 3,000,000 shares held in a limited liability company for which he shares dispositive power, but for which he has no direct pecuniary interest, and 408,000 shares which may be acquired within 60 days through the exercise of options granted under the American Financial Stock Option Plan (the "Option Plan").

Does not include 405,031 shares which are held in various trusts for the benefit of his children for which a third party acts as trustee with voting and dispositive power.

As of August 7, 2009, and within the prior 60-day period (other than as previously reported on Schedule 13D), the Reporting Person had engaged in the following transaction.

<u>Date</u>	<u>Transaction</u>	<u>Number of Shares Acquired/Disposed</u>	<u>Price</u>
7/30/2009	Stock Option Exercise	82,500	13.1667
7/30/2009	Stock Option Exercise	82,500	13.2267
7/30/2009	Exchange of Shares	(87,765)	24.81
7/30/2009	Gifted	(6,651)	N/A
08/04/2009	Open market sale	(75,000)	25.0616*

\*This is a weighted average price. The shares were sold in multiple transactions at prices ranging from \$24.90 to \$25.25.

To the best knowledge and belief of the undersigned, other than as described herein, no transactions involving American Financial equity securities had been engaged in by the Reporting Person.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

None

**Item 7. Material to be filed as Exhibits.**

(1) Power of Attorney executed in connection with filings under the Securities Exchange Act of 1934, as amended.

After reasonable inquiry and to the best knowledge and belief of the undersigned, it is hereby certified that the information set forth in this statement is true, complete and correct.

Dated: August 7, 2009

/s/ Karl J. Grafe

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Karl J. Grafe, As Attorney-in-Fact for:  
Carl H. Lindner III

**POWER OF ATTORNEY**

I, Carl H. Lindner III, do hereby appoint James C. Kennedy and Karl J. Grafe, or either of them, as my true and lawful attorneys-in-fact to sign on my behalf and to file with the Securities and Exchange Commission any schedules or other filings or amendments thereto made by me pursuant to Sections 13(d), 13(g), 14(d) and 16(a) of the Securities and Exchange Act of 1934, as amended.

IN WITNESS WHEREOF, I have hereunto set my hand at Cincinnati, Ohio as of the 5th day of November 1997.

/s/ Carl H. Lindner III

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Carl H. Lindner III