

Blackstone Group L.P.
Form 3
December 17, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â AMERICAN INTERNATIONAL GROUP INC | | | (Month/Day/Year) | Blackstone Group L.P. [BX] | |
| (Last) | (First) | (Middle) | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| 180 MAIDEN LANE | | | | (Check all applicable) | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (Street) | | | | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner | <input type="checkbox"/> Form filed by One Reporting Person |
| NEW YORK,Â NYÂ 10038 | | | | <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) | <input checked="" type="checkbox"/> Form filed by More than One Reporting Person |
| (City) | (State) | (Zip) | | | |

Table I - Non-Derivative Securities Beneficially Owned

| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|--|---|
| Common Units representing limited partnership interests | 45,737,235 <u>(1)</u> <u>(2)</u> | I | See Footnote <u>(3)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security | 4. Conversion or Exercise | 5. Ownership Form of | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|--|---------------------------|----------------------|---|
|--|--|--|---------------------------|----------------------|---|

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| Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Price of Derivative Security | Derivative Security: |
|------------------|-----------------|------------|----------------------------|------------------------------|----------------------------|
| | | | | | Direct (D) or Indirect (I) |
| | | (Instr. 4) | | | (Instr. 5) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| AMERICAN INTERNATIONAL GROUP INC 180 MAIDEN LANE NEW YORK, NY 10038 | ^ | ^ X | ^ | ^ |
| AIG BG Holdings LLC 180 MAIDEN LANE NEW YORK, NY 10038 | ^ | ^ X | ^ | ^ |

Signatures

/s/ Monika M. Machon, Authorized Person
Date: 12/17/2010
**Signature of Reporting Person

/s/ Monika M. Machon, Authorized Person
Date: 12/17/2010
**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) Pursuant to an exchange agreement, holders of Blackstone Holdings partnership units (which term refers collectively to a partnership unit in each of Blackstone Holdings I L.P., Blackstone Holdings II L.P., Blackstone Holdings III L.P. and Blackstone Holdings IV L.P.), subject to the vesting and minimum retained ownership requirements and transfer restrictions set forth in the partnership agreements of the Blackstone Holdings partnerships, may from time-to-time (subject to the terms of the exchange agreement) exchange their Blackstone Holdings partnership units for The Blackstone Group L.P. common units on a one-for-one basis, subject to customary conversion rate adjustments for splits, unit distributions and reclassifications.
- (2) A Blackstone Holdings limited partner must exchange one partnership unit in each of the four Blackstone Holdings partnerships to effect an exchange for a common unit. On November 15, 2010, AIG BG Holdings LLC ("AIG Holdings") delivered notice to the Blackstone Holdings entities and The Blackstone Group L.P. to exchange 10,000,000 of its Blackstone Holdings partnership units for 10,000,000 common units which were delivered by the issuer to AIG Holdings on December 15, 2010. On December 9, 2010, AIG Holdings delivered a further notice to the Blackstone Holdings entities and The Blackstone Group L.P. to exchange its remaining 35,737,235 Blackstone Holdings partnership units for 35,737,235 common units of the issuer, which are expected to be delivered on February 9, 2011.
- (3) The reported shares are held directly by AIG Holdings which is a wholly owned subsidiary of American International Group, Inc. ("AIG"). AIG is an indirect beneficial owner of the reported securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, See Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.