

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 31, 2006**

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**

(Exact name of registrant as specified in its charter)

IOWA
(State or other jurisdiction
of incorporation)

001-31911
(Commission
File Number)

42-1447959
(IRS Employer
Identification No.)

5000 Westown Parkway, Suite 440, West Des Moines, Iowa
(Address of principal executive offices)

50266
(Zip Code)

Registrant's telephone number, including area code: **(515) 221-0002**

NOT APPLICABLE

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

Attached and incorporated herein by reference as Exhibit 99.1 is an announcement dated August 30, 2006 on the Sale of AEL Common Stock to NMO Deferred Compensation Trust by Certain Officers and Directors.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

99.1	Sale of AEL Common Stock to NMO Deferred Compensation Trust by Certain Officers and Directors
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 31, 2006

**AMERICAN EQUITY
INVESTMENT LIFE HOLDING COMPANY**

By: /s/ Wendy L. Carlson
Wendy L. Carlson
Chief Financial Officer and
General Counsel

EXHIBIT INDEX

Exhibit Number	Description.
99.1	Sale of AEL Common Stock to NMO Deferred Compensation Trust by Certain Officers and Directors dated August 30, 2006

August 30, 2006

Sale of AEL Common Stock to NMO Deferred Compensation Trust by Certain Officers and Directors

On August 30, 2006, David J. Noble, Chairman, Chief Executive Officer and President of American Equity Investment Life Holding Company (“AEL”) sold 533,125 shares of AEL common stock to the American Equity NMO Deferred Compensation Trust. This transaction is related to the exercise by Mr. Noble in September, 2005 of rights to acquire 1,058,125 shares of AEL common stock. These rights were issued in 1997 in connection with a private placement of stock by the company to support its initial growth as a new annuity writer. Stock was sold in the 1997 transaction at a price of \$5.33 (as adjusted for a subsequent 3 for 1 stock split), and the exercise price of the rights granted at that time was also \$5.33. Such rights had an expiration date of December 1, 2005.

To fund the aggregate exercise price of the rights, Mr. Noble, as well as other officers and directors of AEL who possessed such rights, individually and personally borrowed funds for one year from an independent financial institution. Proceeds from the recent sale of AEL shares by Mr. Noble to the NMO Deferred Compensation Trust were used to repay this loan plus accrued interest. Neither the sale or its timing is related in any way to the operations, business or prospects of AEL. Mr. Noble has no plans to retire.

Other officers and directors of AEL also intend to sell shares of AEL stock during 2006 to the NMO Deferred Compensation Trust to repay outstanding loans related to the exercise of these rights.

By acquiring AEL shares, the NMO Deferred Compensation Trust will fund its liability and fix its costs for vested deferred compensation shares distributable in the future to the principals of its key national marketing organizations.
