

KAYNE ANDERSON MIDSTREAM/ENERGY FUND, INC.
 Form 4
 March 30, 2012

FORM 4

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

OMB APPROVAL

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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 *
 AMERICAN INTERNATIONAL GROUP INC

(Last) (First) (Middle)

180 MAIDEN LANE

(Street)

NEW YORK, NY 10038

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 KAYNE ANDERSON MIDSTREAM/ENERGY FUND, INC. [KMF]

3. Date of Earliest Transaction (Month/Day/Year)
 03/22/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 ___ Officer (give title below) ___X___ Other (specify below)

See General Remarks

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

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 |
| 4.00% Series C Senior Unsecured Notes due March 22, 2022 | 03/22/2012 | | P | | 10,000,000 | A | \$ 10,000,000 |
| | | | | | | | \$ 29,000,000 |
| Series B Mandatory Redeemable Preferred Shares | 03/22/2012 | | P | | 400,000 | A | \$ 25 |
| | | | | | | | 400,000 |
| | | | | | | | I |
| | | | | | | | Held through subsidiary (1) |
| | | | | | | | Held through subsidiary (2) |

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

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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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|---------------------|
| | Director | 10% Owner | Officer | Other |
| AMERICAN INTERNATIONAL GROUP INC 180 MAIDEN LANE NEW YORK, NY 10038 | | | | See General Remarks |

Signatures

/s/ Monika Machon, Senior Vice President - Investments
Date: 03/30/2012

__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) The Variable Annuity Life Insurance Company, an indirectly wholly owned subsidiary of American International Group, Inc. ("AIG"), directly holds \$6,000,000 principal amount of the Series C Senior Unsecured Notes and Chartis Specialty Insurance Company, an indirectly wholly owned subsidiary of AIG, directly holds \$4,000,000 principal amount of the Series C Senior Unsecured Notes. As previously reported, First SunAmerica Life Insurance Company, an indirectly wholly owned subsidiary of AIG, directly holds \$10,000,000 principal amount of the 3.93% Series A Senior Unsecured Notes due March 3, 2016 of the Issuer and SunAmerica Annuity and Life Assurance Company, an indirectly wholly owned subsidiary of AIG, directly holds \$9,000,000 principal amount of the 4.62% Series B Senior Unsecured Notes due March 3, 2018 of the Issuer. AIG is an indirect beneficial owner of such senior debt securities.
- (2)

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The Series B Mandatory Redeemable Preferred Shares are held directly by The Variable Annuity Life Insurance Company, an indirectly wholly owned subsidiary of AIG. AIG is an indirect beneficial owner of the Series B Mandatory Redeemable Preferred Shares.

Remarks:

Filed pursuant to Section 30(h) of the Investment Company Act of 1940. The referenced securities are senior debt securities a

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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