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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**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): September 20, 2006

**American Real Estate Partners, L.P.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**  
(State of Organization)

**1-9516**  
(Commission File Number)

**13-3398766**  
(IRS Employer  
Identification No.)

767 Fifth Avenue, Suite 4700, New York, NY  
(Address of Principal Executive Offices)

10153  
(Zip Code)

Registrant's telephone number, including area code: **(212) 702-4300**

**N/A**

(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 communication 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))
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**Item 8. Other Events.**

**Item 8.01 — Other Events.**

On September 19, 2006, American Real Estate Partners, L.P. (“AREP”) issued a press release, a copy of which is filed as Exhibit 99.1 and is incorporated by reference herein.

**Item 9. Financial Statements, Pro Forma Financial Information and Exhibits.**

**Item 9.01(d) — Exhibits**

99.1 Press Release, dated September 19, 2006, issued by AREP.

[remainder of page intentionally left blank; signature page follows]

SIGNATURES

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

AMERICAN REAL ESTATE PARTNERS, L.P.  
(Registrant)

By: American Property Investors, Inc.,  
its General Partner

By: /s/Hillel Moreman  
Hillel Moerman  
Chief Financial Officer  
American Property Investors, Inc.,  
the General Partner of American Real Estate  
Partners, L.P.

Dated: September 20, 2006

**Contact:** Hillel Moerman  
Chief Financial Officer  
(212) 702-4300

**For Immediate Release**

**American Real Estate Partners, L.P. Subsidiary Announces Offering of Senior Notes**

New York, New York, September 19, 2006 — American Real Estate Partners, L.P. (NYSE:ACP) (“AREP”) announced today that American Entertainment Properties Corp. (“AEP”), an indirect wholly-owned subsidiary, intends to offer \$250.0 million aggregate principal amount of senior floating rate notes due 2014 in a private placement transaction, subject to market and certain other conditions.

Subject to the receipt of approval from Nevada gaming authorities, the net proceeds from the offering will be used to pay a dividend to its direct parent, and to pay fees and expenses of the offering.

The notes to be offered have not been registered under the Securities Act of 1933 or applicable state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933 and applicable state securities laws. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy the notes.

American Real Estate Partners, L.P., a master limited partnership, is a diversified holding company engaged in a variety of businesses including gaming, oil and gas exploration and production, real estate and home fashion.

This release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond AREP’s ability to control or predict. Forward-looking statements may be identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “will,” or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of AREP and its subsidiaries. Among these risks and uncertainties are risks related to AREP’s casino gaming and associated hotel, restaurant and entertainment operations, including the effects of regulation, substantial competition, rising operating costs and economic downturns; risks related to AREP’s oil and gas exploration and production operations, including costs of drilling, completing and operating wells and the effects of regulation; risks related to AREP’s real estate activities, including the extent of any tenant bankruptcies and insolvencies and competition for investment properties; risks related to AREP’s home fashion operations, including changes in the availability and price of raw materials, changes in customer preferences and transportation costs, and other risks and uncertainties detailed from time to time in AREP’s filings with the Securities and Exchange Commission. AREP undertakes no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.