

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 2)

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended June 30, 1999

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-9516

AMERICAN REAL ESTATE PARTNERS, L.P.
(Exact name of registrant as specified in its charter)

Delaware

13-3398766

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

100 SOUTH BEDFORD ROAD, MT. KISCO, NY
(Address of principal executive offices)

10549
(Zip Code)

(Registrant's telephone number,
including area code)

(914) 242-7700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

This Form 10-Q/A is being filed to correct a clerical error in the Company's Form 10-Q for the quarter ended June 30, 1999 as originally filed (the "Initial Form 10-Q"), as follows:

In the Consolidated Balance Sheets, appearing on pages 1 and 2 of the Initial Form 10-Q, this Form 10-Q/A corrects the following clerical error:

CONSOLIDATED BALANCE SHEETS
(In \$000's)

June 30, 1999
(unaudited)

LIABILITIES	AS ORIGINALLY FILED	AS CORRECTED
Accounts payable, accrued expenses and other liabilities	11,970	10,470
Total liabilities	253,175	251,675

Total

1,180,805

1,179,305

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 thereunto duly authorized.

AMERICAN REAL ESTATE PARTNERS, L.P.
By: American Property Investors, Inc.
General Partner

/s/ John P. Saldarelli
John P. Saldarelli
Treasurer
(Principal Financial Officer
and Principal Accounting Officer)

Date: September 9, 1999