
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): May 23, 2005

American Real Estate Partners, L.P.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-9516 (Commission File Number)	13-3398766 (IRS 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**

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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Section 1 – Registrant’s Business and Operations

Item 1.01 Entry into a Material Definitive Agreement

On May 23, 2005, we entered into Amendment No. 1 to the Purchase Agreement, dated January 21, 2005, by and among American Real Estate Partners, L.P., as Purchaser, and Cyprus, LLC, as Seller, or the Sands Purchase Agreement. Annex A to the Sands Purchase Agreement describes the securities Cyprus owns and which we have agreed to purchase on the terms and subject to the conditions set forth in the Sands Purchase Agreement. The Amendment amends Annex A to the Sands Purchase Agreement to include shares of Atlantic Coast Entertainment Holdings, Inc. common stock acquired by Cyprus through the exercise of warrants.

Cyprus is indirectly wholly-owned by Carl C. Icahn. As of the date of the Amendment, Mr. Icahn owned approximately 86.5% of our depositary units and preferred units and indirectly owns 100% of our general partner, American Property Investors, Inc.

Item 1.01 Entry into a Material Definitive Agreement

On May 26, 2005, the Board of Directors of API, our general partner, determined that Jon F. Weber, President of API, will receive an annual base salary of \$500,000.

On May 26, 2005, the Board of Directors of API approved an increase in the annual fees paid to each director who is also an audit committee member to \$55,000.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

99.1 Amendment No. 1 to Purchase Agreement, dated January 21, 2005, by and among American Real Estate Partners, L.P., as Purchaser, and Cyprus, LLC as Seller.

[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.
General Partner

By: /s/ John P. Saldarelli
John P. Saldarelli
Vice President, Chief Financial Officer,
Secretary and Treasurer

Date: May 27, 2005

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Exhibit Index

99.1 Amendment No. 1 to Purchase Agreement, dated January 21, 2005, by and among American Real Estate Partners, L.P., as Purchaser, and Cyprus, LLC as Seller.

AMENDMENT NO. 1, dated as of May 23, 2005, to the PURCHASE AGREEMENT (this "Amendment") dated as of January 21, 2005 (the "Agreement"), by and among Cyprus, LLC, a Delaware limited liability company ("Seller"), and American Real Estate Partners, L.P. ("Purchaser"). Capitalized terms not otherwise defined herein have the meanings set forth in the Agreement.

WHEREAS, Seller and Purchaser desire to amend Annex A to the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment. Annex A to the Agreement is hereby amended and restated such that, as so amended and restated, Annex A to the Agreement shall be in the form of Annex A attached hereto. Except as expressly agreed herein, all covenants, obligations and agreements of the Seller and Purchaser contained in the Agreement shall remain in full force and effect in accordance with their terms.

2. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York without giving effect to the conflicts of laws principles thereof.

3. Counterparts. This Amendment may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the duly authorized officer of each party hereto as of the date first above written.

Cyprus, LLC

By: Barberry Corp., its managing member

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

American Real Estate Partners, L.P.

By: American Property Investors, Inc., its general partner

By: /s/ Keith Meister
Name: Keith Meister
Title: Chief Executive Officer

AREP Sands Holding LLC

By: American Real Estate Holdings Limited Partnership, its sole member

By: American Property Investors, Inc., its general partner

By: /s/ Keith Meister
Name: Keith Meister
Title: Chief Executive Officer

BARBERRY CORP.

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

HIGH COAST LIMITED PARTNERSHIP

By: Little Meadow Corp., its general partner

By: /s/ Edward E. Mattner
Name: Edward E. Mattner
Title: Authorized Signatory

[Signature Page to Amendment No. 1 to the Purchase Agreement between Cyprus and AREP with respect to Sands Securities.]

Annex A

<u>Issuer</u>	<u>Amount and Title of Security</u>
GB Holdings, Inc.	4,121,033 shares of common stock, par value \$.01 per share (CUSIP 36150A109)
Atlantic Coast Entertainment Holdings, Inc.	4,121,033 Warrants exp. July 22, 2011 (CUSIP 048416119) to purchase 1,133,284 shares of Atlantic Holdings common stock (or, if any such Warrants have been exercised, the shares of Atlantic Holdings common stock acquired upon such exercise)