

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

DECEMBER 19, 2002

Date of Report (Date of earliest event reported)

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 Number)
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100 SOUTH BEDFORD ROAD
MT. KISCO, NY 10549

(Address of Registrant's Principal Executive Office (Zip Code))

(914) 242-7700

(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

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ITEM 5. OTHER EVENTS.

On December 19, 2002 the Company issued a joint press release with Stratosphere Corporation, a copy of which is filed as Exhibit 99.1.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits.

EXHIBIT NO.	DESCRIPTION
99.1	Joint Press Release of American Real Estate Partners, L.P. and Stratosphere Corporation, dated as of December 19, 2002.

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
Chief Financial Officer, Secretary and Treasurer

Dated: December 19, 2002

[Letterhead of American Real Estate Partners, L.P.]

Contact: John P. Saldarelli
Secretary and Treasurer
(914) 242-7700

FOR IMMEDIATE RELEASE

AMERICAN REAL ESTATE PARTNERS, L.P.
ACQUIRES REMAINING INTEREST IN STRATOSPHERE CORPORATION

Mount Kisco, New York, December 19, 2002 - American Real Estate Partners, L.P., (NYSE: ACP) ("AREP") and Stratosphere Corporation ("Stratosphere") announced today that American Real Estate Holdings Limited Partnership, a subsidiary of AREP, has acquired the remaining shares of Stratosphere that AREP does not currently own. The merger closed today pursuant to an agreement and plan of merger dated February 1, 2002 following a special meeting of the stockholders of Stratosphere at which the agreement was approved.

Under the agreement, the stockholders who are unaffiliated with AREP and Carl C. Icahn will receive a cash price of \$45.32 per share, and the Icahn related stockholders (other than AREP) will receive a cash price of \$ 44.33 per share. Stockholders of Stratosphere must submit their certificate and a properly completed letter of transmittal to the paying agent in order to receive payment. AREP will pay an aggregate of approximately \$44.3 million for the 49% of the Stratosphere shares that it does not already own. Mr. Icahn owns approximately 86% of the outstanding equity interests in AREP.

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may vary due to the risks and uncertainties which exist regarding the matters contained in the forward-looking statements.

Stratosphere Corporation owns and operates the Stratosphere Casino, Hotel & Tower located in Las Vegas, Nevada.

American Real Estate Partners, L.P. is a master limited partnership primarily engaged in acquiring and managing real estate investments with a primary focus on office, retail, industrial, hotel, gaming and residential properties.