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AMERICAN REALTY INVESTORS INC
 Form 8-K/A
 December 17, 2002

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A
 AMENDMENT NO. 1

CURRENT REPORT

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

August 30, 2002

 Date of Report (Date of Earliest Event Reported)

AMERICAN REALTY INVESTORS, INC.

 (Exact Name of Registrant as Specified in its Charter)

Nevada	1-15663	75-2847135
-----	-----	-----
(State of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

1800 Valley View Lane, Suite 300,	Dallas, TX	75234
-----	-----	-----
(Address of Principal Executive Offices)		(Zip Code)

Registrant's Telephone Number, Including Area Code: (469) 522-4200

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

In 2002, American Realty Investors, Inc. ("ARI") has sold a significant amount of its properties, as follows:

Sale Date	Property	Location	Units/ Sq.Ft./Acres	Sales Price	Gain/(Loss) on Sale	% of ARI's Assets	
----	-----	-----	-----	-----	-----	-----	-----
				(dollars in Thousands)			
Apartments							
01/18/02	Villas	Plano, TX	208 Units	\$ 8,525	\$ 5,615	0.29%	Fin
03/20/02	Mallard Lake	Greensboro, NC	336 Units	14,400	--	0.42%	Gra
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Date	Property Name	Location	Units	2001	2002	2002 %	Other
05/02/02	Stonebridge	Florissant, MO	100 Units	4,340	3,081	0.14%	Flo
06/13/02	Oak Hill	Tallahassee, FL	92 Units	3,200	527	0.28%	Oak
06/24/02	Regency on Kennedy	Tampa, FL	78 Units	3,200	(1,458)	0.54%	Reg
07/11/02	Woodsong	Smyrna, GA	190 Units	9,200	7,028	0.17%	Woo
07/31/02	Valley Hi	Tallahassee, FL	54 Units	1,452	435	0.11%	Vil
07/31/02	White Pines	Tallahassee, FL	85 Units	764	(48)	0.09%	Vil
08/30/02	Morning Star	Tallahassee, FL	82 Units	2,217	641	0.18%	Vil
08/30/02	Stonegate	Tallahassee, FL	83 Units	1,785	(120)	0.23%	Vil
Commercial							
03/08/02	Oaktree Village	Lubbock, TX	45,623 Sq.Ft.	912	--	0.21%	Tra
06/26/02	Centura Tower	Farmers Branch, TX	410,901 Sq.Ft.	50,000	--	6.01%	Inc TCI
Land							
01/11/02	Thompson II	Dallas County, TX	0.2 Acres	21	(11)	0.00%	Cit
02/26/02	Katrina	Palm Desert, CA	2.1 Acres	1,323	978	0.03%	BP
03/08/02	Lakeshore Villas	Harris County, TX	16.9 Acres	1,499	--	0.17%	TCI
03/08/02	Rasor	Plano, TX	24.5 Acres	1,211	--	0.16%	TCI
03/08/02	Vista Ridge	Lewisville, TX	10.0 Acres	1,525	401	0.13%	Lew
04/10/02	Mason Goodrich	Houston, TX	7.9 Acres	672	269	0.05%	Gle
05/03/02	Mason Goodrich	Houston, TX	10.3 Acres	1,444	895	0.06%	Met
06/13/02	Hollywood Casino	Farmers Branch, TX	42.8 Acres	16,987	--	1.25%	TCI
06/26/02	Marine Creek	Ft. Worth, TX	54.2 Acres	3,700	--	0.31%	TCI
06/26/02	Mason Goodrich	Houston, TX	18.0 Acres	2,790	--	0.11%	TCI
06/26/02	Monterrey	Riverside, CA	65.0 Acres	4,625	--	0.60%	TCI
06/26/02	Nashville	Nashville, TN	16.6 Acres	1,890	--	0.12%	TCI
08/07/02	Elm Fork	Denton County, TX	14.5 Acres	2,745	1,615	0.12%	Lew
08/16/02	Elm Fork	Denton County, TX	14.2 Acres	1,526	491	0.12%	Alt
				-----	-----	-----	
				\$141,953	\$20,339	11.90%	
				=====	=====	=====	

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Proforma statements of operations are presented for the year ended December 31, 2001, and the six months ended June 30, 2002. The proforma statements of operations present ARI's operations as if the transactions described above had occurred at January 1 of each of the periods presented. A proforma balance sheet as of June 30, 2002, is also presented. The proforma balance sheet presents the property sales described above, as if they had occurred at January 1, 2002.

AMERICAN REALTY INVESTORS, INC.
 PROFORMA COMBINED CONSOLIDATED BALANCE SHEET
 JUNE 30, 2002

Actual/(1)/	Woodsong/(2)/	Valley Hi/(2)/	White Pines/(2)/	Morning Star/(2)/	Stone
-----	-----	-----	-----	-----	-----

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(dollars in thousands)

Assets						
Real estate held for investment.....	\$ 442,583	\$ (4,703)	\$ (926)	\$ (748)	\$ (1,346)	\$
Less - accumulated depreciation.....	(112,614)	3,455	94	72	152	
	-----	-----	-----	-----	-----	-----
	329,969	(1,248)	(832)	(676)	(1,194)	
Real estate held for sale.....	195,881	--	--	--	--	
Notes and interest receivable						
Performing.....	28,206	--	--	--	--	
Non-performing.....	7,516	--	--	--	--	
Less - allowance for losses.....	(2,577)	--	--	--	--	
	-----	-----	-----	-----	-----	-----
	33,145	--	--	--	--	
Net pizza parlor equipment.....	7,373	--	--	--	--	
Marketable equity securities, at market value.....	90	--	--	--	--	
Cash and cash equivalents.....	2,631	(39)	(4)	(3)	3	
Investments in equity investees.....	81,170	--	--	--	--	
Intangibles, net of accumulated amortization.....	15,565	--	--	--	--	
Other assets.....	36,839	(9,408)	783	650	(183)	
	-----	-----	-----	-----	-----	-----
	\$ 702,663	\$ (10,695)	\$ (53)	\$ (29)	\$ (1,374)	\$
	=====	=====	=====	=====	=====	=====

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AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED CONSOLIDATED BALANCE SHEET - Continued
JUNE 30, 2002

	Actual/(1)/	Woodsong/(2)/	Valley Hi/(2)/	White Pines/(2)/	Morning Star/(2)/
	-----	-----	-----	-----	-----
	(dollars in thousands)				
Liabilities and Equity					
Notes and interest payable	\$ 532,557	\$ (8,302)	\$ --	\$ --	\$ (1,199)
Margin borrowings	26,005	--	--	--	--
Other liabilities	58,087	(82)	(23)	(16)	(49)
	-----	-----	-----	-----	-----
	616,649	(8,384)	(23)	(16)	(1,248)

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Minority interest	22,193	--	--	--	--
Stockholders' Equity					
Preferred stock	4,950	--	--	--	--
Common stock	114	--	--	--	--
Paid-in capital	112,184	--	--	--	--
Accumulated (deficit)	(56,161)	(2,311)	(30)	(13)	(126)
Accumulated other comprehensive income ..	2,734	--	--	--	--
	-----	-----	-----	-----	-----
	63,821	(2,311)	(30)	(13)	(126)
	-----	-----	-----	-----	-----
	\$ 702,663	\$ (10,695)	\$ (53)	\$ (29)	\$ (1,374)
	=====	=====	=====	=====	=====

(1) Includes properties sold prior to June 30, 2002.

(2) Assumes sale by ARI on January 1, 2002.

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AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED STATEMENT OF OPERATIONS (1) (2)
SIX MONTHS ENDED JUNE 30, 2002

	Actual	Apartments/(3)/	Commercial/(4)/	La
	-----	-----	-----	-----
	(dollars in thousands)			
Property revenue				
Rents	\$ 56,842	\$ (2,682)	\$ (3,116)	\$
Property operations expenses	39,800	(1,226)	(1,812)	
	-----	-----	-----	-----
	17,042	(1,456)	(1,304)	
Land operations				
Sales	20,701	--	--	
Cost of sales	17,338	--	--	
	-----	-----	-----	-----
	3,363	--	--	
Pizza parlor operations				
Sales	18,276	--	--	
Cost of sales	14,747	--	--	
	-----	-----	-----	-----
	3,529	--	--	
Income from operations	23,934	(1,456)	(1,304)	
Other income				
Interest and other	1,723	--	47	
Equity in loss of investees	(9,233)	--	--	
Loss on sale of investments in equity investees	(531)	--	--	
	-----	-----	-----	-----
	(8,041)	--	47	
Other expense				
Interest	36,269	(1,032)	(3,553)	
Depreciation and amortization	7,909	(258)	(1,282)	
General and administrative	6,481	--	--	
Advisory fee to affiliate	3,252	(21)	(32)	

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Minority interest	1,560	--	--	
	-----	-----	-----	-----
	55,471	(1,311)	(4,867)	
	-----	-----	-----	-----
Net income (loss) from continuing operations	\$ (39,578)	\$ (145)	\$ 3,610	\$
	=====	=====	=====	=====
Earnings per share - basic and diluted				
Net loss from continuing operations ...	\$ (3.48)			
	=====			
Weighted average Common shares used in computing earnings per share				
	11,375,127			
	=====			

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AMERICAN REALTY INVESTORS, INC.
NOTES TO PROFORMA COMBINED
STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2002

- (1) The Proforma Combined Statement of Operations assumes that each property was sold by ARI on January 1, 2002.
- (2) Operating results for sold properties are their actual operating results from January 1 to their respective date of sale.
- (3) Includes the Villas Apartments sold in January 2002; Mallard Lakes Apartments sold in March 2002; Stonebridge Apartments sold in May 2002; Oak Hill and Regency on Kennedy Apartments sold in June 2002; Woodsong, Valley Hi and White Pines Apartments sold in July 2002; and Morning Star and Stonegate Apartments sold in August 2002.
- (4) Includes the Oaktree Village Shopping Center sold in March 2002 and the Centura Tower Office Building sold in June 2002.
- (5) Includes the partial sale of the Thompson II land parcel in January 2002; the partial sale of the Katrina land parcel in February 2002; the sale of the Razor land parcel and the partial sale of the Lakeshore Villas and Vista Ridge land parcels in March 2002; the partial sale of the Mason Goodrich land parcel in April 2002; the partial sale of the Mason Goodrich land parcel in May 2002; the sale of the Hollywood Casino, Marine Creek and Monterrey land parcels and the partial sale of the Mason Goodrich and Nashville land parcels in June 2002; and the partial sale of the Elm Fork land parcel in August 2002.

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AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED STATEMENT OF OPERATIONS / (1) (2) /
YEAR ENDED DECEMBER 31, 2001

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	Actual	Apartments/(3)/	Commercial/(
	-----	-----	-----
Property revenue			(dollars in thousand)
Rents.	\$ 110,414	\$ (8,296)	\$ (4,
Property operations expenses	81,926	(4,263)	(3,
	-----	-----	-----
	28,488	(4,033)	(1,
Land operations			
Sales.....	45,290	--	
Cost of sales	36,083	--	
	-----	-----	-----
	9,207	--	
Pizza parlor operations			
Sales	34,211	--	
Cost of sales	27,934	--	
	-----	-----	-----
	6,277	--	
Income from operations	43,972	(4,033)	(1,
Other income			
Interest and other	2,448	(160)	
Equity in loss of investees	(13,352)	--	
Loss on sale of investments in equity investees	(387)	--	
	-----	-----	-----
	(11,291)	(160)	
Other expense			
Interest	68,876	(2,502)	(5,
Depreciation and amortization	16,471	(677)	(2,
General and administrative	12,743	--	
Advisory fee to affiliate	6,715	(254)	(
Net income fee to affiliate	166	1,494	
Incentive fees to affiliate	3,827	485	(
Litigation settlement	100	--	
Provision for loss	2,500	--	
Minority interest	972	--	
	-----	-----	-----
	112,370	(1,454)	(8,
Net income (loss) from continuing operations	\$ (79,689)	\$ (2,739)	\$ 7,
	=====	=====	=====
Earnings per share - basic and diluted			
Net loss from continuing operations	\$ (6.80)		
	=====		
Weighted average Common shares used in computing earnings per share	11,714,374		
	=====		

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AMERICAN REALTY INVESTORS, INC.
NOTES TO PROFORMA COMBINED
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2001

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- (3) Includes the Villas Apartments sold in January 2002; Mallard Lakes Apartments sold in March 2002; Stonebridge Apartments sold in May 2002; Oak Hill and Regency on Kennedy Apartments sold in June 2002; Woodsong, Valley Hi and White Pines Apartments sold in July 2002; and Morning Star and Stonegate Apartments sold in August 2002.
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SIGNATURE

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 hereto duly authorized.

AMERICAN REALTY INVESTORS, INC.

Date: December 16, 2002

By: /s/ Ronald E. Kimbrough

Ronald E. Kimbrough
Executive Vice President and Chief
Financial Officer (Principal
Financial and Accounting Officer and
Acting Principal Executive Officer)

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