



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Mail Stop 3010

March 4, 2010

*By U.S. Mail and facsimile to (469) 522 - 4299*

Mr. Gene S. Bertcher, Chief Financial Officer  
American Realty Investors, Inc.  
1800 Valley View Lane, Suite 300  
Dallas, TX 75234

**RE: American Realty Investors, Inc.**  
**File No. 001-15663**  
**Form 10-K for the year ended December 31, 2008**  
**Forms 10-Q for the quarters ended March 31, 2009, June 30, 2009 and**  
**September 30, 2009**

Dear Mr. Bertcher:

We have reviewed your response letter dated January 21, 2010 and have the following additional comments. If you disagree, we will consider your explanation as to why our comments are inapplicable or a revision is unnecessary. Provide to us the information requested if indicated and please be as detailed as necessary in your explanation.

Form 10-Q for the Period Ended September 30, 2009

Financial Statements

Note 1 Organization and Basis of Presentation, page 8

1. We have considered your response to comment 10 relating to your accounting for your acquisition of IOT. Please confirm that you will revise your disclosure in future filings to clarify that the fair value of IOT's assets and liabilities at the acquisition date approximated IOT's book value, as represented in your response to us.

Note 9 Impairment Investments and Real Estate Assets, page 15

2. We have considered your response to comment 11 relating to your presentation of provision for impairment losses below operating income. Please, explain to us

how you considered SAB 99 in determining that the effect of your presentation is not quantitatively and qualitatively material to the financial statements.

As appropriate, please respond to our comments within 10 business days or tell us when you will provide us with a response. Please submit your letter on EDGAR. Please understand that we may have additional comments after reviewing your response to our comments.

You may contact Jorge L. Bonilla at (202) 551-3414 or me at (202) 551-3413 if you have questions regarding comments on the financial statements and related matters. Please contact Duc Dang at (202) 551-3386 or Karen J. Garnett, Assistant Director, at (202) 551-3785 with any other questions.

Sincerely,

Cicely LaMothe  
Branch Chief