

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G  
Under the Securities Exchange Act of 1934  
Amendment No. 3

FM Properties Inc.

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

302507108

(CUSIP Number)

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CUSIP NO. 302507108 13G

NAME OF REPORTING PERSON

1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Goldman, Sachs & Co.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

2 (a)   
(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4 New York

SOLE VOTING POWER

5  
NUMBER OF  
SHARES

0

SHARED VOTING POWER

6  
BENEFICIALLY  
OWNED BY

764,591

SOLE DISPOSITIVE POWER

7  
EACH  
REPORTING  
PERSON

0

SHARED DISPOSITIVE POWER

WITH 8

764,591

-----  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9  
764,591

-----  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

10

-----  
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11  
5.4%

-----  
TYPE OF REPORTING PERSON\*

12  
BD-PN-IA

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\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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CUSIP NO. 302507108

13G

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NAME OF REPORTING PERSON  
1 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

The Goldman Sachs Group, L.P.

-----  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

2  
(a)   
(b)

-----  
SEC USE ONLY

3

-----  
CITIZENSHIP OR PLACE OF ORGANIZATION

4  
Delaware

-----  
SOLE VOTING POWER

5  
NUMBER OF 0

SHARES

-----  
SHARED VOTING POWER

6  
BENEFICIALLY 764,591

OWNED BY

-----  
SOLE DISPOSITIVE POWER

7  
EACH 0

REPORTING

PERSON

-----  
SHARED DISPOSITIVE POWER

8  
WITH

764,591

-----  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9  
764,591

-----  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

10  
[ ]

-----  
PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

11  
5.4%

-----  
TYPE OF REPORTING PERSON\*

12  
HC-PN

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\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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- Item 1(a). Name of Issuer:  
FM Properties Inc.
- Item 1(b). Address of Issuer's Principal Executive Offices:  
1615 Poydras Street  
New Orleans, LA 70112
- Item 2(a). Name of Persons Filing:  
Goldman, Sachs & Co. and The Goldman Sachs Group, L.P.
- Item 2(b). Address of Principal Business Office or, if None, Residence:  
85 Broad Street  
New York, NY 10004
- Item 2(c). Citizenship:  
Goldman, Sachs & Co. - New York  
The Goldman Sachs Group, L.P. - Delaware
- Item 2(d). Title and Class of Securities:  
Common Stock, \$.01 par value
- Item 2(e). CUSIP Number:  
302507108
- Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b), check whether the person filing is a :
- (a).X Broker or dealer registered under Section 15 of the Act,  
Goldman, Sachs & Co.
  - (b). Bank as defined in Section 3(a)(6) of the Act,
  - (c). Insurance Company as defined in Section 3(a)(19) of the Act,
  - (d). Investment Company registered under Section 8 of the  
Investment Company Act,
  - (e).X Investment Adviser registered under Section 203 of  
the Investment Advisers Act of 1940,  
Goldman, Sachs & Co.
  - (f). Employee Benefit Plan, Pension Fund which is subject to the  
provisions of the Employee Retirement Income Security Act of  
1974 or Endowment Fund; see 13d-1(b)(1)(ii)(F),

- (g).X Parent Holding Company, in accordance with Rule 13d-1(b) (ii) (G); see Item 7, The Goldman Sachs Group, L.P.
  - (h). Group, in accordance with Rule 13d-1(b) (ii) (H).
- Item 4. Ownership.\*
- (a). Amount beneficially owned:  
See the response(s) to Item 9 on the attached cover page(s).
  - (b). Percent of Class:  
See the response(s) to Item 11 on the attached cover page(s).
  - (c). Number of shares as to which such person has:
    - (i). Sole power to vote or to direct the vote:  
See the response(s) to Item 5 on the attached cover page(s).
    - (ii). Shared power to vote or to direct the vote:  
See the response(s) to Item 6 on the attached cover page(s).
    - (iii). Sole power to dispose or to direct the disposition of:  
See the response(s) to Item 7 on the attached cover page(s).
    - (iv). Shared power to dispose or to direct the disposition of:  
See the response(s) to Item 8 on the attached cover page(s).
- Item 5. Ownership of Five Percent or Less of a Class.  
Not Applicable
- Item 6. Ownership of More than Five Percent on Behalf of Another Person.  
Not Applicable
- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.  
See Exhibit (2) as previously reported.
- Item 8. Identification and Classification of Members of the Group.  
Not Applicable

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\* The Goldman Sachs Group, L.P. ("GS Group") and Goldman, Sachs & Co. ("Goldman Sachs") each disclaim beneficial ownership of the Common Stock beneficially owned by (i) managed accounts and (ii) certain investment limited partnerships, of which a subsidiary of GS Group or Goldman Sachs is the general partner or managing general partner, to the extent partnership interests in such partnerships are held by persons other than GS Group, Goldman Sachs or their affiliates.

- Item 9. Notice of Dissolution of Group.  
Not Applicable
- Item 10. Certification.
- By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or

influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 14, 1998

THE GOLDMAN SACHS GROUP, L.P.

By: /s/ Hans L. Reich

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Name: Hans L. Reich  
Title: Attorney-in-fact

GOLDMAN, SACHS & CO.

By: /s/ Hans L. Reich

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Name: Hans L. Reich  
Title: Attorney-in-fact

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