

AMERICAN REALTY INVESTORS INC
Form SC 13D/A
February 15, 2018

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 16)

AMERICAN REALTY INVESTORS, INC.

(Name of Issuer)

Common Stock, \$0.01 par value

(Title of Class of Securities)

029174-10-9

(CUSIP Number)

Gene S. Bertcher

1603 LBJ Freeway, Suite 300

Dallas, Texas 75234

(469) 522-4200

(469) 522-4360 (Facsimile)

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

January 12, 2018

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rules 13d-1(b)(3) or (4), check the following box [].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

The remainder of this cover page shall be filled out for a reporting persons's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 029174-10-9

name of reporting
person

1

Realty Advisors,
LLC

check the
appropriate
box if a (A)

2

member (B)
of a
group
sec use only

3

source of funds

4

WC and OO
check if
disclosure of
legal
proceedings is
required
pursuant to o
items 2(d) or
2(e)

5

citizenship or
place of
organization

6

nevada

number of
shares

7

sole voting
power

beneficially

8

7,921,508
shared
voting
power

owned by

each

-0-

reporting person **9** sole dispositive power

with **10** 7,921,508 shared dispositive power

11 -0- aggregate amount beneficially owned by each reporting person

12 9,381,336 check box if the aggregate amount in row (11) excludes certain shares ^o

13 percent of class represented by amount in row (11)

14 58.64% type of reporting person

OO

CUSIP No. 029174-10-9

name of reporting
person

1 RA Stock
Holdings, Inc.
(formerly, Prime
Stock Holdings,
Inc.)

check the
appropriate
box if a ^(A)

2 member ^(B)
of a

group
sec use only

3

source of funds

4

WC
check if
disclosure of
legal
proceedings is
required

5 pursuant to ^o
items 2(d) or
2(e)

6 citizenship or
place of
organization

nevada

number of ⁷ sole voting
shares power

1,459,828

beneficially **8**

owned by shared
each voting
power

reporting
person -0-
dispositive
with **9** power

1,459,828
10 shared
dispositive
power

11 -0-
aggregate amount
beneficially owned
by each reporting
person

12 1,459,828
check box
if the
aggregate
amount in
row (11)
excludes
certain
shares

13 percent of class
represented by
amount in row
(11)

14 9.13%
type of reporting
person

CO

CUSIP No. 029174-10-9

name of reporting
person

1

Realty Advisors,
Inc.

check the
appropriate
box if a (A)

2

member (B)
of a

group
sec use only

3

source of funds

4

WC
check if
disclosure of
legal
proceedings is
required

5

pursuant to o
items 2(d) or
2(e)

6

citizenship or
place of
organization

nevada

number of sole voting
shares **7** power

beneficially **8** 4,471,687
owned by shared

voting
power

each
reporting person **9** -0- sole dispositive power
with **10** 4,471,687 shared dispositive power

11 -0- aggregate amount beneficially owned by each reporting person

12 13,853,023 check box if the aggregate amount in row (11) excludes certain shares

13 percent of class represented by amount in row (11)

14 86.60% type of reporting person
CO

CUSIP No. 029174-10-9

name of reporting
person

1

Transcontinental
Realty Investors,
Inc.

check the
appropriate (A)

2

box if a
member of (B)
a group
sec use only

3

source of funds

4

OO
check if
disclosure of
legal
proceedings is
required o

5

pursuant to
items 2(d) or
2(e)
citizenship or
place of
organization

6

nevada

number of
shares

7

sole voting
power

beneficially

229,214

owned by

8

shared
voting
power

each

reporting

9

-0-
sole
dispositive

person power
with 229,214
10 shared
dispositive
power

11 -0-
aggregate amount
beneficially owned
by each reporting
person

12 229,214
check box if
the aggregate
amount in
row (11)
excludes
certain shares

13 percent of class
represented by
amount in row (11)

14 1.43%
type of reporting
person

CO

CUSIP No. 029174-10-9

name of reporting
person

1

The Gene E.
Phillips Children's
Trust

check the
appropriate
box if a (A)

2

member (B)
of a
group

sec use only

3

source of funds

4

OO
check if
disclosure of
legal

5

proceedings is
required

pursuant to
items 2(d) or
2(e)

citizenship or
place of

6

organization

texas

number of
shares

7

sole voting
power

beneficially

8

27,602
shared
voting

owned by

power

each

reporting

person -0-
sole
dispositive
with **9** power

27,602
10 shared
dispositive
power

11 -0-
aggregate amount
beneficially owned
by each reporting
person

12 27,602
check box
if the
aggregate
amount in
row (11)
excludes
certain
shares

13 percent of class
represented by
amount in row
(11)

14 0.172%
type of reporting
person

OO

CUSIP No. 029174-10-9

name of reporting
person

1 May Realty
Holdings, Inc.
(formerly, Realty
Advisors
Management, Inc.)

check the
appropriate

2 box if a
member (B)

of a group
3 sec use only
source of funds

4 WC
check if
disclosure of
legal
5 proceedings is
required

pursuant to
items 2(d) or
2(e)
citizenship or
6 place of
organization

nevada

number of sole voting
shares **7** power

beneficially -0-
owned by **8** shared
voting
power

each -0-
9

reporting person with sole dispositive power

with **10** -0- shared dispositive power

11 -0- aggregate amount beneficially owned by each reporting person

12 13,370,307 check box if the aggregate amount in row (11) excludes certain shares

13 percent of class represented by amount in row (11)

14 86.60% type of reporting person

CO

Item 1. Security and Issuer

This Amendment No. 16 to Statement on Schedule 13D (this "Amendment No. 16") relates to shares of Common Stock, par value \$0.01 per share (the "Shares") of American Realty Investors, Inc., a Nevada corporation (the "Issuer" or "ARL"), and further amends the original Statement on Schedule 13D as amended by Amendment Nos. 1 through 15 thereto (the "Amended Statement") previously filed with the Securities and Exchange Commission (the "Commission") by the "Reporting Persons" described below. The principal executive offices of the Issuer are located at 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234. The Shares are listed and traded on the New York Stock Exchange ("NYSE"). The CUSIP number of the Shares is 029174-10-9.

This Amendment No. 16 to Schedule 13D is being filed to reflect the acquisition through conversion of 200,000 shares of Series A Cumulative Convertible Preferred Stock (the "Series A Preferred") and receipt, on January 12, 2018, of 482,716 Shares (3.012% of the outstanding Shares, after giving effect to the conversion) by one of the Reporting Persons. See item 5(c) below.

Item 2. Identity and Background

Item 2 of the Amended Statement is hereby further amended as follows:

(a)-(c) This Amendment No. 16 is filed on behalf of The Gene E. Phillips Children's Trust, a trust formed under the laws of the State of Texas (the "GEP Trust"), Transcontinental Realty Investors, Inc., a Nevada corporation ("TCI"), May Realty Holdings, Inc. (formerly, Realty Advisors Management, Inc.), a Nevada corporation ("MRHI"), Realty Advisors, Inc., a Nevada corporation ("RAI"), the sole stockholder of which is MRHI, Realty Advisors, LLC, a Nevada limited liability company ("RALLC"), the sole member of which is RAI and RA Stock Holdings, Inc. (formerly, Prime Stock Holdings, Inc.), a Nevada corporation ("Holdings"), which is wholly owned by RALLC. Each of the Reporting Persons has its principal executive offices located at 1603 LBJ Freeway, Suite 300, Dallas, Texas 75234. All of GEP Trust, TCI, MRHI, RAI, RALLC and Holdings are collectively referred to as the "Reporting Persons." The Reporting Persons may be deemed to constitute a "person" within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended, because Holdings is owned by RALLC, the sole member of which is RAI, the sole stockholder of which is MRHI, which is beneficially owned by a trust established for the benefit of Gene E. Phillips' children. RALLC owns all of the voting securities of Holdings. The executive officers of TCI are also executive officers of MRHI, RAI and RALLC. Mr. Phillips' son, Bradford A. Phillips, serves as a Vice President of MRHI and is a beneficiary of the GEP Trust. The executive officers of ARL are also executive officers of TCI.

Item 3. Source and Amount of Funds or Other Consideration

No funds were required of RAI to acquire the 482,716 Shares described in Item 5(c) below from the 200,000 Shares of Series A Preferred.

Item 5. Interest in Securities of the Issuer

The Amended Statement is hereby further amended as follows:

(a) According to the latest information available from the Issuer, as of January 12, 2018, after giving effect to the conversion, the total number of issued and outstanding Shares was 15,997,076. As of January 12, 2018, after giving effect to the transaction described in item 5(c), the Reporting Persons own and hold directly and beneficially the following Shares as of January 12, 2018:

Name**No. of Shares Owned Directly Approximate Percent of Class**

| | | |
|-----------|-------------------|---------------|
| GEP Trust | 27,602 | 0.172% |
| TCI | 229,214 | 1.43% |
| RALLC | 7,921,508 | 49.52% |
| RAI | 4,471,687 | 27.95% |
| MRHI | -0- | 0.00% |
| Holdings | <u>1,459,828</u> | <u>9.13%</u> |
| | <u>14,109,839</u> | <u>88.20%</u> |

Pursuant to Rule 13d-3 under the Exchange Act, each of the directors of Holding may be deemed to beneficially own the number of Shares owned by Holdings described above; each of the directors of MRHI may be deemed to beneficially own the number of Shares owned by RAI, RALLC and Holdings described above; each of the managers of RALLC may be deemed to beneficially own the number of Shares beneficially owned by RALLC and Holdings; each of the directors of RAI may be deemed to beneficially own the number of Shares owned by RALLC and Holdings described above; each of the directors of TCI may be deemed to beneficially own the number of Shares owned by TCI described above; the Trustees of the GEP Trust may be deemed to beneficially own the Shares held directly by the GEP Trust. Those individuals and the number of Shares deemed beneficially owned pursuant to Rule 13d-3 and the approximate percent of the class, as well as the relationship, as of January ____, 2018, are set forth in the following table:

Name of Director**and/or Manager Entity No. of Shares Beneficially Owned Percent of Class**

| | | | |
|---------------------|-----------------------------------|-------------|--------|
| Donald W. Phillips | GEP Trust | 27,602 | 0.172% |
| Mickey Ned Phillips | RALLC, RAMI, Holdings, and RAI | 13,853,0237 | 86.60% |
| Henry A. Butler | TCI | 229,214 | 1.43% |

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| | | | |
|--|-----------------------|-------------------|---------------|
| Robert A. Jakuszewski | TCI | 229,214 | 1.43% |
| Ted R. Munselle | TCI | 229,214 | 1.43% |
| Raymond D. Roberts | TCI | 229,214 | 1.43% |
| Gene S. Bertcher | RALLC and Holdings | 9,381,336 | 58.64% |
| Daniel J. Moos+ | RALLC and Holdings | <u>9,381,336</u> | <u>58.64%</u> |
| Total Shares beneficially owned by Reporting | | | |
| Persons and individuals listed above: | | <u>14,109,839</u> | <u>88.20%</u> |

+ Daniel J. Moos owns directly 5,000 Shares, which are not included in the table.

(b) Each of the managers of RALLC share voting and dispositive power over the 7,921,508 Shares held by RALLC. Each of the directors of Holdings share voting and dispositive power over the 1,459,828 Shares held by Holdings. Each of the directors of TCI share voting and dispositive power over the 229,214 Shares held by TCI. The Trustee of the GEP Trust has complete voting and dispositive power over the 27,602 Shares held by the GEP Trust. Each of the directors of RAI share voting and dispositive power over the 4,471,687 Shares held by RAI.

(c) During the 60 calendar days ended January 12, 2018, the Reporting Persons and their respective executive officers and directors or managers did not engage in any transaction involving the Shares or any other equity interest derivative thereof, except for RAI's conversion of 200,000 Shares of Series A Preferred stock into 482,716 Shares.

(d) No person other than the Reporting Persons or their respective Board of Directors, Managers or Trustees is known to have the right to receive or the power to direct receipt of dividends from, or proceeds of sale of, the Shares of ARL Common Stock held by RAI, RALLC, Holdings, TCI and/or the GEP Trust.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 of the Amended Statement is hereby further amended to read as follows:

Of the Shares owned directly by RAI, 3,433,436 Shares are subject to an accommodation pledge for a loan to another entity at First NBC Bank and 405,900 Shares are subject to a pledge for a loan from Shillington to RAI. Of the Shares owned directly by RALLC, 2,450,000 are subject to an accommodation pledge for a loan to another entity at First NBC Bank.

Of the Shares owned by TCI, 140,000 Shares are subject to an accommodation pledge for a loan to another entity at First NBC Bank.

Of the Shares owned by RALLC, 20,000 Shares are subject to an accommodation pledge for a loan to another entity at United Bank.

Of the 149,635 Shares owned directly by RAI, 5,471,508 Shares owned by RALLC and the 1,459,828 Shares owned by Holdings, all are held in bank and brokerage accounts along with other securities owned by each entity and, as such, those Shares may be deemed to be “collateral” for any borrowings made from time to time pursuant to customary margin or other account arrangements with such banks and/or brokers. Such arrangements are standard involving margin securities of up to a specified percentage of market value of the Shares, as well as other securities in such accounts, bear interest at varying rates and contain only standard default and similar provisions, the operation of which should not give any other person immediate voting power or investment power over such Shares.

Except as set forth in the preceding paragraphs, the Reporting Persons do not have any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities or the Issuer including, but not limited to, transfer of voting of any of the securities, finders’ fees, joint ventures, loan or option arrangements, puts or calls, guaranties of profits, divisions of profits, divisions of profits or loss, or the giving or withholding of proxies.

SIGNATURES

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this Amendment No. 15 to Statement on Schedule 13D is true, complete, and correct.

Dated: February 14, 2018

REALTY ADVISORS, INC.

REALTY ADVISORS, LLC

By: /s/ Gene S. Bertcher

By: /s/ Gene S. Bertcher

Gene S. Bertcher, Vice President

Gene S. Bertcher, Vice President

GENE E. PHILLIPS CHILDREN'S TRUST TRANSCONTINENTAL REALTY INVESTORS, INC.

By: /s/ Donald W. Phillips

By: /s/ Gene S. Bertcher

Donald W. Phillips, Trustee

Gene S. Bertcher, Executive Vice President

RA STOCK HOLDINGS, INC.

REALTY ADVISORS MANAGEMENT, INC.

By: /s/ Gene S. Bertcher

By: /s/ Gene S. Bertcher

Gene S. Bertcher, Vice President

Gene S. Bertcher, Vice President

