

AMERICAN REALTY INVESTORS INC  
Form SC 13D/A  
August 27, 2018

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934

(Amendment No. 17)

AMERICAN REALTY INVESTORS, INC.

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(Name of Issuer)

Common Stock, \$0.01 par value

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(Title of Class of Securities)

029174-10-9

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(CUSIP Number)

Gene S. Bertcher

1603 LBJ Freeway, Suite 300

Dallas, Texas 75234

(469) 522-4200

(469) 522-4360 (Facsimile)

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

August 22, 2018

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(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**

arcadian energy,  
inc.

**2**

check the  
appropriate  
box if a (A)  
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**

**6** citizenship or  
place of  
organization

nevada

number of  
shares **7** sole voting  
power

beneficially  
owned by **8** 542,303  
shared  
voting  
power

each

reporting **9** -0-

person            sole  
with                dispositive  
                      power

542,303  
**10** shared  
dispositive  
power

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

**12**                    542,303  
check box  
if the  
aggregate  
amount in  
row (11)        0  
excludes  
certain  
shares

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

**14**                    3.39%  
type of reporting  
person

OO

CUSIP No. 029174-10-9

name of reporting  
person

**1**

Realty Advisors,  
LLC

**2**

check the  
appropriate  
box if a (A)  
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  
items 2(d) or  
2(e)

**5**

**6**

citizenship or  
place of  
organization

nevada

number of  
shares

**7**

sole voting  
power

beneficially

**8**

2,470,000\*  
shared  
voting  
power

owned by

each

reporting

**9**

-0-  
sole  
dispositive  
power

person

with 2,470,000\*  
**10** shared  
dispositive  
power

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

**12** 3,929,828\*\*  
check box  
if the  
aggregate  
amount in  
row (11)   
excludes  
certain  
shares

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

**14** 24.57%  
type of reporting  
person

OO

\* 7,921,508 shares were previously reported under Realty Advisors, LLC, but 5,451,508 of such shares are held in accounts of Realty Advisors, Inc. [the sole Member of Realty Advisors, LLC] and should have been (and are now) reported there.

\*\* RA Stock Holdings, Inc., which owns 1,429,828 shares (9.13%), is wholly owned by Realty Advisors, LLC.

CUSIP No. 029174-10-9

name of reporting  
person

**1** RA Stock  
Holdings, Inc.  
(formerly, Prime  
Stock Holdings,  
Inc.)  
check the  
appropriate  
**2** box if a (A)  
member (B)  
of a  
group  
sec use only

**3**  
  
**4** source of funds

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

**6** citizenship or  
place of  
organization

nevada  
number of sole voting  
**7** shares power  
1,459,828  
beneficially **8** shared  
owned by voting  
power

each  
reporting person **9** -0-  
sole  
dispositive  
power  
with **10** 1,459,828  
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.

**2**

check the  
appropriate  
box if a (A)  
member (B)  
of a  
group  
sec use only

**3**

source of funds

**4**

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

**5**

**6**

citizenship or  
place of  
organization

nevada

number of  
shares

**7**

sole voting  
power

beneficially

**8**

9,457,140\*  
shared  
voting  
power

owned by

each

reporting

**9**

-0-  
sole  
dispositive  
power

person

with 9,457,140\*  
**10** shared  
dispositive  
power

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

**12** 13,929,271\*\*  
check box if  
the  
aggregate  
amount in  
row (11)   
excludes  
certain  
shares

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

**14** 87.07%  
type of reporting  
person

CO

\* At least 5,451,508 of such shares were previously reported as held by Realty Advisors, LLC, the sole Member of which is Realty Advisors, Inc., which shares are actually held in accounts of Realty Advisors, Inc.

\*\* Includes (i) 1,429,828 shares (9.13%) owned by RA Stock Holdings, Inc., which is wholly owned by Realty Advisors, LLC, (ii) 2,470,000 shares (15.44%) owned by Realty Advisors, LLC, the sole member of which is Realty Advisors, Inc., (iii) 542,303 shares (3.39%) owned by Arcadian Energy, Inc., which is wholly owned by Realty Advisors, Inc., and (iv) 9,457,140 shares (59.12%) owned by Realty Advisors, Inc.

CUSIP No. 029174-10-9

name of reporting  
person

**1**

Transcontinental  
Realty Investors,  
Inc.

check the  
appropriate (A)  
box if a  
member of (B)  
a group  
sec use only

**2**

**3**

source of funds

**4**

OO  
check if  
disclosure of  
legal  
proceedings is o  
required  
pursuant to  
items 2(d) or  
2(e)  
citizenship or  
place of  
organization

**5**

**6**

nevada

number of      sole voting  
shares              7      power

beneficially      140,000\*  
owned by          8      shared  
                                 voting  
                                 power

each  
reporting          9      -0-  
person              sole  
                                 dispositive  
                                 power

with 140,000\*  
**10** shared  
dispositive  
power

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

**12** 140,000\*  
check box if  
the aggregate  
amount in  
row (11)   
excludes  
certain shares

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

**14** 0.94%  
type of reporting  
person

CO

\* 229,214 shares were previously reported, but a physical count in June 2018 revealed only 140,000 held. As the shares were previously pledged as collateral to Metropolitan Savings, it is believed that such institution sold 89,214 shares into the market.

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  
proceedings is  
required

**5**

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

**6**

organization

texas

number of  
shares

**7**

sole voting  
power

beneficially

27,602

owned by

**8**

shared  
voting  
power

each

reporting

**9**

-0-  
sole  
dispositive

person power  
with 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) o  
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

WC

check if disclosure of legal

**5** proceedings is required

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

citizenship or place of

**6** organization

nevada

number of shares **7** sole voting power

-0-

beneficially owned by **8** shared voting power

power

each reporting **9** -0- sole

dispositive

person power  
 with -0-  
 10 shared  
 dispositive  
 power

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

12 13,929,271\*  
 check box if  
 the  
 aggregate  
 amount in  
 row (11) o  
 excludes  
 certain  
 shares

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

14 87.07%  
 type of reporting  
 person

CO

\* Includes (i) 1,429,828 Shares (9.13%) owned by RA Stock Holdings, Inc., which is wholly owned by Realty Advisors, LLC, (ii) 2,470,000 Shares (15.44%) owned directly by Realty Advisors, LLC, the sole member of which is Realty Advisors, Inc., (iii) 542,303 Shares (3.39%) owned by Arcadian Energy, Inc., which is a wholly owned subsidiary of Realty Advisors, Inc., and (iv) 9,457,140 Shares owned directly by Realty Advisors, Inc., which is wholly owned by May Realty Holdings, Inc.



## Item 1. Security and Issuer

This Amendment No. 17 to Statement on Schedule 13D (this "Amendment No. 17") 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 16 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. 17 to Schedule 13D is being filed (i) to reflect the correct number of Shares held by two of the Reporting Persons, following account confirmations concluded on August 22, 2018, and (ii) to include a new Reporting Person which holds 542,303 Shares, which Reporting Person was acquired as a subsidiary of one of the Reporting Persons. See Items 2 and 5 below.

## Item 2. Identity and Background

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

(a)-(c) This Amendment No. 17 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 and Arcadian Energy, Inc., a Nevada corporation ("AEI"), which has been, since December 21, 2017, a wholly owned subsidiary of RAI. 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, Holdings and AEI 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. RAI owns all of the voting securities of AEI. 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 one of the beneficiaries of the GEP Trust. The executive officers of ARL are also executive officers of TCI.

## 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 June 30, 2018, the total number of issued and outstanding Shares was 15,997,076. After giving effect to the matters described in item 5(c), the Reporting Persons own and hold directly and beneficially the following Shares as of August 22, 2018:

9

| <b>Name</b> | <b>No. of Shares Owned Directly</b> | <b>Approximate Percent of Class</b> |
|-------------|-------------------------------------|-------------------------------------|
| AEI         | 542,303                             | 3.39%                               |
| GEP Trust   | 27,602                              | 0.172%                              |
| TCI         | 140,000                             | 0.88%                               |
| RALLC       | 2,470,000                           | 15.44%                              |
| RAI         | 9,457,140                           | 59.12%                              |
| MRHI        | -0-                                 | 0.00%                               |
| Holdings    | <u>1,459,828</u>                    | <u>9.13%</u>                        |
|             | <u>14,096,873</u>                   | <u>88.12%</u>                       |

Pursuant to Rule 13d-3 under the Exchange Act, each of the directors of Holdings 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, Holdings and AEI 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, Holdings and AEI described above; the director of AEI may be deemed to beneficially own the number of Shares of AEI 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 August 22, 2018, are set forth in the following table:

| <b>Name of Director and/or Manager</b> | <b>Entity</b>                       | <b>No. of Shares Beneficially Owned</b> | <b>Percent of Class</b> |
|--|-------------------------------------|---|-------------------------|
| Donald W. Phillips                     | GEP Trust                           | 27,602                                  | 0.172%                  |
| Mickey Ned Phillips                    | AEI, RALLC, MRHI, Holdings, and RAI | 13,929,271                              | 87.07%                  |
| Henry A. Butler                        | TCI                                 | 140,000                                 | 0.88%                   |
| Robert A. Jakuszewski                  | TCI                                 | 140,000                                 | 0.88%                   |

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|  |                    |                   |               |
|--|--------------------|-------------------|---------------|
| Ted R. Munselle  | TCI                | 140,000           | 0.88%         |
| Raymond D. Roberts   | TCI                | 140,000           | 0.88%         |
| Gene S. Bertcher   | RALLC and Holdings | 3,929,828         | 24.57%        |
| Daniel J. Moos+  | RALLC and Holdings | <u>3,929,828</u>  | <u>24.57%</u> |
| Total Shares beneficially owned by Reporting Persons and individuals listed above: |                    | <u>14,096,873</u> | <u>88.12%</u> |

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

(b) Each of the managers of RALLC shares voting and dispositive power over the 2,470,000 Shares held by RALLC. Each of the directors of Holdings shares voting and dispositive power over the 1,459,828 Shares held by Holdings. Each of the directors of TCI shares voting and dispositive power over the 140,000 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 9,457,140 Shares held by RAI. Each of the directors of AEI shares voting and dispositive power over the 542,303 Shares held by AEI.

(c) During the 60 calendar days ended August 22, 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. During June 2018, a complete review was made of all brokerage accounts held by the Reporting Persons to reconcile all Shares held. Also, the original Arcadian Energy, Inc. merged with and into RAI Acquisitions, Inc., a wholly owned subsidiary of RAI, on December 21, 2017, which then changed its name to Arcadian Energy, Inc. The original Arcadian Energy, Inc. has held 542,303 Shares for more than two years.

(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 AEI, 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 Shares owned directly by RAI, 4,499,168 Shares 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: August 22, 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.

MAY REALTY HOLDINGS, INC.

By: /s/ Gene S. Bertcher

By: /s/ Gene S. Bertcher

Gene S. Bertcher, Vice President

Gene S. Bertcher, Vice President

ARCADIAN ENERGY, INC.

By: /s/ Robert C. Murray

Robert C. Murray, Sr.





