

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.

(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)

August 22, 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

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 sole voting
shares **7** power

beneficially 542,303
owned by **8** 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

5

required
pursuant to
items 2(d) or
2(e) 0

6

citizenship or
place of
organization

nevada

number of
shares **7** sole voting
power

beneficially
owned by **8** 2,470,000*
shared
voting
power

each

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

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
shares

7

sole voting
power

beneficially
owned by

8

140,000*
shared
voting
power

each

reporting
person

9

-0-
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

2

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

3

source of funds

4

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

5

6

texas

number of shares beneficially owned by each reporting person

7

27,602

8

shared voting power

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(A)

2 box if a member (B)

of a group
3 sec use only
 source of funds

4 WC
 check if disclosure of legal proceedings is required

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

6 citizenship or place of organization

nevada

number of shares **7** sole voting power

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

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

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	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.

