

TRANSCONTINENTAL REALTY INVESTORS INC
Form SC 13D/A
July 11, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 52)

TRANSCONTINENTAL REALTY INVESTORS, INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

893617-20-9

(CUSIP Number)

Louis J. Corna
1603 LBJ Freeway, Suite 800
Dallas, Texas 75234
(469) 522-4200

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

July 7, 2014

(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(e), 13d-1(f) or 13d-1(g), check the following box [].

NOTE: Schedules filed in paper format should 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. 893617-20-9

1. Names of Reporting Persons.

Transcontinental Realty Acquisition Corporation

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Source of Funds

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Nevada

Number of Shares

Beneficially

Owned by

Each Reporting

Person With:

7. Sole Voting Power

1,383,226

8. Shared Voting Power

-0-

9. Sole Dispositive Power

1,383,226

10. Shared Dispositive Power

-0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,383,226

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares

13. Percent of Class Represented by Amount in Row (11)

15.87%

14. Type of Reporting Person

CO

2

CUSIP No. 893617-20-9

1. Names of Reporting Persons.
American Realty Investors, Inc.

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Source of Funds

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Nevada

7. Sole Voting Power

5,669,194

Number of Shares

Beneficially

Owned by

Each Reporting

Person With:

8. Shared Voting Power

-0-

9. Sole Dispositive Power

5,669,194

10. Shared Dispositive Power

-0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person

7,052,420

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares

13. Percent of Class Represented by Amount in Row (11)

80.9%

14. Type of Reporting Person

CO

3

CUSIP No. 893617-20-9

1. Names of Reporting Persons.

Realty Advisors, Inc.

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Source of Funds

WC

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Nevada

7. Sole Voting Power

304,298

Number of Shares

Beneficially

Owned by

Each Reporting

Person With:

8. Shared Voting Power

-0-

9. Sole Dispositive Power

304,298

10. Shared Dispositive Power

-0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person

304,298

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares

13. Percent of Class Represented by Amount in Row (11)

3.49%

14. Type of Reporting Person

CO

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Item 1. Security and Issuer

This Amendment No. 52 to Statement on Schedule 13D relates to the shares of Common Stock, par value \$0.01 per share (the "Shares") of TRANSCONTINENTAL REALTY INVESTORS, INC., a Nevada corporation ("TCI" or the "Issuer") and further amends the original Statement on Schedule 13D as amended by Amendment Nos. 1 through 51 (the "Amended Statement") filed by and on behalf of the "Reporting Persons" described below and others who are no longer "Reporting Persons." The principal executive offices of TCI are located at 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234. The CUSIP number of the Shares is 893617-20-9.

This Amendment No. 52 to Schedule 13D is being filed (i) to reflect the issuance of 304,298 shares (3.49%) upon conversion of 30,000 shares of Series C Convertible Preferred Stock to the holder thereof and (ii) to indicate the addition as a Reporting Person of Realty Advisors, Inc., following such conversion. See items 2 and 5(c) below.

Item 2. Identity and Background

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

(a)-(c) This Amendment is being filed on behalf of American Realty Investors, Inc. a Nevada corporation ("ARL"), Transcontinental Realty Acquisition Corporation ("TRAC"), and Realty Advisors, Inc., a Nevada corporation ("RAI"). TRAC is a wholly owned subsidiary of ARL. ARL's Common Stock is publically held and listed and traded on the New York Stock Exchange ("NYSE"). RAI, indirectly through Realty Advisors, LLC, a Nevada limited liability company, of which RAI is the sole member, owns approximately 71.27% of the Common Stock of ARL. All of ARL, TRAC, and RAI are collectively referred to as the "Reporting Persons" and each have their principal executive offices located at 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234. The Reporting Persons (consisting of ARL, TRAC, and RAI) may be deemed to constitute a "person" within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended, because TRAC is a wholly owned subsidiary of ARL and RAI indirectly owns over 71% of the Common Stock of ARL.

Item 3. Source and Amount of Funds or Other Consideration

No funds or other consideration were required in connection with the July 7, 2014, conversion of 30,000 shares of TCI Series C Convertible Preferred Stock into 304,298 Shares.

Item 5. Interest in Securities of the Issuer

Item 5 of the Amended Statement is hereby further amended as follows:

(a) According to the latest information available from the Issuer, as of March 31, 2014, the total number of issued and outstanding Shares was believed by the Reporting Persons to be 8,413,699. In connection with the conversion on July 7, 2014, of 30,000 shares of Series C Convertible Preferred Stock into 304,298 Shares, the total number of issued and outstanding Shares increased by 304,298 Shares to 8,717,767 Shares. As of July 8, 2014, after giving effect to the transactions described in Item 5(c) below, the following Shares were owned directly and beneficially by the Reporting Persons set forth below:

| Name | No. of Shares Owned Beneficially | Approximate % Class | |
|--------|-------------------------------------|------------------------|---|
| ARL*+ | 7,052,420 | 80.9 | % |
| TRAC | 1,383,226 | 15.87 | % |
| RAI | 304,298 | 3.49 | % |
| Totals | 7,356,718 | 84.39 | % |

* ARL owns 5,669,194 Shares direct.

+ 1,213,226 shares are the same Shares owned by TRAC, which is a wholly owned subsidiary of ARL.

Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934 (the “Exchange Act”), each of the directors of ARL may be deemed to beneficially own the number of Shares owned by ARL, each of the directors of ARL and TRAC may be deemed to beneficially own the number of Shares owned by TRAC described above, and each of the directors of RAI may be deemed to beneficially own the number of Shares owned by RAI. 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, are set forth in the following table:

| Name of Director | Director of Entity | No. of Shares Beneficially Owned | % of Class | |
|--|-----------------------|--|---------------|---|
| Gene S. Bertcher | TRAC | 1,383,226 + | 15.87 | % |
| Henry A. Butler | ARL | 7,052,420*+ | 80.90 | % |
| Sharon Hunt | ARL | 7,052,420 + | 80.90 | % |
| Robert A. Jakuszewski | ARL | 7,052,420*+ | 80.90 | % |
| Daniel J. Moos | TRAC | 1,383,226*+ü | 15.87 | % |
| Ted R. Munselle | ARL | 7,052,420*+ | 80.90 | % |
| Mickey Ned Phillips | RAI | 304,298 | 3.49 | % |
| Ryan T. Phillips | RAI | 304,298 | 3.49 | % |
| Total Units beneficially owned by Reporting Persons and individuals listed above (6 persons): | | 7,356,718*+ | 84.39 | % |

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

(b) Each of the directors of ARL share voting and dispositive power over the 5,669,194 Shares held by ARL. Each of the directors of TRAC share voting and dispositive power over the 1,383,226 Shares held by TRAC. Each of the directors of RAI share voting and dispositive power over 304,298 Shares.

(c) During the 60 calendar days ended July 8, 2014, the Reporting Persons and their executive officers and directors, as the case may be, did not engage in any transaction in the Shares or any other equity interest derivative thereof, except as follows:

- On July 7, 2014, RAI surrendered for conversion 30,000 shares of Series C Cumulative Preferred Stock of TCI. Under the Certificate of Designation, the “Conversion Date” was the date of surrender and the calculated “Conversion Price” was 90% of the simple average of the daily closing price of the Common Stock for the five Business Days immediately prior to the date of conversion on the NYSE, which yielded an average closing price, resulting in a Conversion Price of \$12.9384 per share. As of the surrender date, the Preferred Stock so surrendered had accumulated dividend entitlements of eighteen 90-day quarters, which yielded additional accrued dividends to be added to the aggregate liquidation value, which, when divided by the Conversion Price, yielded a base amount, which was rounded

up to 304,298 Shares. Under Section 3(a)(9) of the Securities Act of 1933, as amended, the issuance of shares upon conversion is an exempt transaction as a security exchanged by the issuer with its existing security holders exclusively where no commissions or other remuneration was paid or given, directly or indirectly, for soliciting such exchange.

(d) Not applicable.

(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:

TRAC made accommodation pledges for loans to others to Armed Forces Bank (755,000 Shares), Robert Grubin (200,000 Shares), and Scott Kim (200,000 Shares).

Shares held by ARL are subject to a prior pledge of 1,391,927 Shares as collateral for a loan of \$4,000,000 made to EQK Holdings, Inc. ("EQK") on February 10, 2014, by Tacco Financial, Inc., a Nevada corporation. Such Loan is evidenced by a Promissory Note, dated February 10, 2014, issued by EQK, payable to the order of Tacco Financial, Inc.

Shares held by ARL are also subject to accommodation pledges previously made by EQK for loans to others to Consolidated National Corporation (438,600 Shares), Armed Forces Bank (418,207 Shares), Barbara and Anita Laken (71,079 Shares), Elizabeth Shillington (161,959 Shares), Shinhan Bank (1,627,363 Shares), Beal Bank (150,000 Shares), and First NBC Bank (640,000 Shares).

Of the remaining Shares held by ARL, 383,991 may be deemed to be "collateral" for borrowings pursuant to margin or other account arrangements with bankers and brokerage firms relating to brokerage accounts. Such arrangements are standard arrangements involving margin securities of up to a specified percentage of market value of the Shares and bear interest at varying rates and contain only standard default and similar provisions, the operation of any of which should not give any other person immediate voting power or investment power over such securities. Such arrangements exist with the Shares and other securities held in such accounts, and it is impracticable at any given time to determine the amounts, if any, with respect to the Shares, and interest costs under such arrangements may vary with applicable costs and account balances.

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 of the Issuer, including finder's fees, joint ventures, loan or option arrangements, puts or calls, guaranties of profits, divisions of profits or loss, or the giving or withholding of proxies.

SIGNATURES

After reasonable inquiry and to the best of their respective knowledge and belief, the undersigned certify that the information set forth in This Amendment No. 52 to Statement on Schedule 13D is true, complete, and correct.

Dated: July 11, 2014

AMERICAN REALTY INVESTORS, INC.

By: /s/ Louis J. Corna
Louis J. Corna, Executive Vice President
and Secretary

TRANSCONTINENTAL REALTY ACQUISITION
CORPORATION

By: /s/ Daniel J. Moos
Daniel J. Moos, President

REALTY ADVISORS, INC.

By: /s/ Steven A. Shelley
Steven A. Shelley, Vice President

