

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

TRANSCONTINENTAL REALTY INVESTORS INC  
Form SC 13D/A  
April 19, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 36)

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)

Robert A. Waldman  
1800 Valley View Lane, Suite 300  
Dallas, Texas 75234  
(469) 522-4200

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

February 12, 2002

-----  
(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: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) 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

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons  
(entities only)

American Realty Trust, Inc., FEI No. 54-0697989

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

3) SEC Use Only

4) Source of Funds (See Instructions)

WC

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

6) Citizenship or Place of Organization

Georgia

7) Sole Voting Power

Number of  
Shares Bene-  
ficially

-0-

Owned by  
Each Report-  
ing Person  
With

8) Shared Voting Power

-0-

9) Sole Dispositive Power

-0-

10) Shared Dispositive Power

-0-

11) Aggregate Amount Beneficially Owned by Each Reporting Person

3,994,300

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

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

49.7%

14) Type of Reporting Person (See Instructions)

CO

CUSIP No. 893617-20-9

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons  
(entities only)

ART Holdings, Inc., FEI No. 75-2663476

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

3) SEC Use Only

4) Source of Funds (See Instructions)

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

Number of  
Shares Bene-  
ficially

-0-

Owned by  
Each Report-  
ing Person  
With

8) Shared Voting Power

-0-

9) Sole Dispositive Power

-0-

10) Shared Dispositive Power

-0-

11) Aggregate Amount Beneficially Owned by Each Reporting Person

-0-

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

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

-0-

14) Type of Reporting Person (See Instructions)

CO

CUSIP No. 893617-20-9

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

(entities only)

Basic Capital Management, Inc., FEI No. 75-2261065

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

3) SEC Use Only

4) Source of Funds (See Instructions)

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

Number of  
Shares Beneficially

Owned by  
Each Reporting Person

With

8) Shared Voting Power

-0-

9) Sole Dispositive Power

1,166,947

10) Shared Dispositive Power

-0-

11) Aggregate Amount Beneficially Owned by Each Reporting Person

1,166,947

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

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

14.5%

14) Type of Reporting Person (See Instructions)

CO

CUSIP No. 893617-20-9

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons  
(entities only)

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

The Gene E. Phillips Children's Trust, I.D. No. 13-6599759

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

3) SEC Use Only

4) Source of Funds (See Instructions)

N/A

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

6) Citizenship or Place of Organization

Texas

	7) Sole Voting Power
Number of Shares Bene- ficially Owned by Each Report- ing Person With	1,827
	8) Shared Voting Power
	-0-
	9) Sole Dispositive Power
	1,827
	10) Shared Dispositive Power
	-0-

11) Aggregate Amount Beneficially Owned by Each Reporting Person

1,827

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

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

0.02%

14) Type of Reporting Person (See Instructions)

OO

CUSIP No. 893617-20-9

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons  
(entities only)

Syntek Asset Management, L.P., FEI No. 75-2311348

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

3) SEC Use Only

4) Source of Funds (See Instructions)

N/A

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

6) Citizenship or Place of Organization

Delaware

7) Sole Voting Power

Number of  
Shares Bene-  
ficially

26,475

Owned by 8) Shared Voting Power

Each Report-  
ing Person  
With

-0-

9) Sole Dispositive Power

26,475

10) Shared Dispositive Power

-0-

11) Aggregate Amount Beneficially Owned by Each Reporting Person

26,475

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

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

0.3%

14) Type of Reporting Person (See Instructions)

PN

CUSIP No. 893617-20-9

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons  
(entities only)

American Reality Investors, Inc., FEI No. 75-2847135

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

-----  
3) SEC Use Only  
-----

4) Source of Funds (See Instructions)

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

Number of  
Shares Bene-  
ficially  
Owned by  
Each Report-  
ing Person  
With  
-----  
-0-

8) Shared Voting Power

-----  
-0-

9) Sole Dispositive Power

-----  
-0-

10) Shared Dispositive Power

-----  
-0-

-----  
11) Aggregate Amount Beneficially Owned by Each Reporting Person

3,994,300  
-----

12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  
-----

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

49.7%  
-----

14) Type of Reporting Person (See Instructions)

CO  
-----

CUSIP No. 893617-20-9  
-----

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons (entities only)

EQK Holdings, Inc., FEI No. 75-2931679  
-----

2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) [ ]  
(b) [ ]  
-----

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

3) SEC Use Only

-----  
4) Source of Funds (See Instructions)

WC

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

Nevada

-----  
6) Citizenship or Place of Organization

Nevada

-----  
7) Sole Voting Power

Number of  
Shares Bene-  
ficially

3,994,300

Owned by 8) Shared Voting Power

Each Report-  
ing Person

-0-

With

-----  
9) Sole Dispositive Power

3,994,300

-----  
10) Shared Dispositive Power

-0-

-----  
11) Aggregate Amount Beneficially Owned by Each Reporting Person

3,994,300

-----  
12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

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

49.7%

-----  
14) Type of Reporting Person (See Instructions)

CO

-----  
ITEM 1. SECURITY AND ISSUER

This Amendment No. 36 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 35 thereof (the "Amended Statement") filed by and on behalf of the "Reporting Persons" described below. The principal executive offices of TCI are located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. The CUSIP number of the Shares is 893617-20- 9.



## Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

This Amendment No. 36 to Schedule 13D is being filed to reflect various changes in the information contained in the Amended Statement, including changes in officers and directors of entities and a proposed merger of the Issuer. During the period ended January 31, 2002, the collective beneficial ownership of the Reporting Persons increased by approximately 5% due to a reduction in the number of Shares of Common Stock of the Issuer outstanding.

### ITEM 2. IDENTITY AND BACKGROUND

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

This Amendment is being filed on behalf of American Realty Trust, Inc., a Georgia corporation ("ART"), Basic Capital Management, Inc., a Nevada corporation ("BCM"), ART Holdings, Inc., a Nevada corporation ("AHI"), The Gene E. Phillips Children's Trust (the "GEP Trust"), Syntek Asset Management, L.P., a Delaware limited partnership ("SAM LP"), American Realty Investors, Inc., a Nevada corporation ("ARL") and EQK Holdings, Inc., a Nevada corporation ("EQK"), each of which have their principal executive offices located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. All of ART, BCM, AHI, the GEP Trust, SAM LP, ARL and EQK 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 Gene E. Phillips is a general partner of SAM LP, BCM is beneficially owned by a trust for the benefit of Mr. Phillips' children; BCM serves as Advisor to ARL, and Mr. Phillips' son, Ryan T. Phillips, serves as a director of BCM and is a beneficiary of the GEP Trust. AHI and EQK are each wholly-owned subsidiaries of ART and ART is a wholly-owned subsidiary of ARL. During April 2001, AHI transferred all 16,000 Shares directly owned by AHI to ART (which then transferred such shares to EQK), and thereby ceased to be a "Reporting Person."

-1-

I. ART is a real estate investment company organized and existing as a Georgia corporation engaged in the business of investing in and originating mortgage loans and investing in real estate. On August 3, 2000, ART became a wholly-owned subsidiary of ARL. ART's principal business activities include investments in real estate and in other business ventures. The name, business address and capacity with ART of each of the executive officers or directors of ART are set forth on Schedule 1 attached hereto. Each of the individuals listed on Schedule 1 is a citizen of the United States of America.

II. AHI is a corporation organized and existing under the laws of the State of Nevada. AHI is a wholly-owned subsidiary of ART. AHI's principal business activity is the holding of record ownership of Shares beneficially owned by ART. The name, business address and capacity with AHI of each of the executive officers or directors of AHI are set forth on Schedule 2 attached hereto. Each of the individuals listed on Schedule 2 is a citizen of the United States of America.

III. BCM is a corporation organized and existing under the laws of the State of Nevada. BCM's principal business activity is the provision of advisory services for real estate and investment trusts and other real estate entities. The name, business address and capacity with BCM of each of the executive officers or directors of BCM are set forth on Schedule 3 attached hereto. Each of the individuals listed on Schedule 3 is a citizen of the United States of America.

IV. SAM LP is a Delaware limited partnership engaged in the business of

## Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

investing in real estate and real estate related assets. SAM LP has no officers or directors. The general partners of SAM LP are Gene E. Phillips and Syntek Asset Management, Inc., a Texas corporation ("SAMI"). SAMI is a wholly-owned subsidiary of BCM. SAMI's principal business activities include investment in real estate and other business ventures. SAMI's principal place of business and principal office is located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. The name, business address and capacity with SAMI of each of the executive officers or directors of SAMI are set forth on Schedule 4 attached hereto. Each of the individuals listed on Schedule 4 is a citizen of the United States of America.

Mr. Gene E. Phillips' business address is 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. Mr. Gene E. Phillips' present principal occupation is Chief Executive Officer and President of Syntek West, Inc. Mr. Gene E. Phillips is a citizen of the United States of America.

-2-

V. The GEP Trust is a trust formed under the laws of the state of Texas for the benefit of the children of Mr. Gene E. Phillips. The trustee of the GEP Trust is Mr. Gene E. Phillips' brother, Donald W. Phillips. Donald W. Phillips' business address is 1800 Valley View Lane, Suite 100, Dallas, Texas 75234. Mr. Donald W. Phillips present principal occupation is President and owner of Big D Oil Field Equipment Sales. Mr. Donald W. Phillips is a citizen of the United States of America.

VI. ARL is a real estate investment company organized and existing under the laws of the State of Nevada engaged through subsidiaries in the business of investing in, financing, owning and operating real estate and real estate related assets. ARL's outstanding securities are listed and traded on the New York Stock Exchange ("NYSE"). The name, business address and capacity with ARL of each of the executive officers or directors of ARL are set forth on Schedule 5 attached hereto. Each of the individuals listed on Schedule 5 is a citizen of the United States of America.

VII. EQK is a corporation organized and existing under the laws of the State of Nevada. EQK is an indirect subsidiary of ARL. The name, business address and capacity with EQK of each of the executive officers or directors of EQK are set forth on Schedule 6 attached hereto. Each of the individuals listed on Schedule 6 is a citizen of the United States of America.

Individuals whose names are not listed on Schedules 1, 2, 3, 4, 5 or 6 who may have previously been referred to as executive officers or directors of ART, AHI, BCM, SAMI, ARL, or EQK respectively in Amendment No. 35 to Schedule 13D no longer occupy those positions, each having resigned or been removed prior to the date of this Amendment.

(d) During the last five years, none of ART, BCM, AHI, SAM LP, the GEP Trust, ARL or EQK, nor any of their respective executive officers or directors, general partners or trustees has been convicted in a criminal proceeding (excluding traffic violations and/or similar misdemeanors).

(e) During the last five years, none of ART, BCM, AHI, SAM LP, the GEP Trust, ARL, or EQK, nor any of their respective executive officers or directors, general partners or trustees has been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction which resulted in a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

-3-

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The consideration paid to purchase the Shares described in Item 5 below is from working capital of each of the Reporting Persons and no part of the purchase price is represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading or voting the Shares. Each of the Reporting Persons have in the past and may in the future, utilized margin accounts with various brokerage firms which accounts may, from time to time, have debit balances and include certain of the Shares. Since other securities are held in such accounts, it may be impracticable at any time to determine the amounts, if any, borrowed with respect to the Shares and interest costs vary with applicable costs and account balances.

ITEM 4. PURPOSE OF TRANSACTION

Item 4 of the Amended Statement is hereby further amended as follows:

The United States District Court for the Northern District of California entered an Order on February 12, 2002 granting final approval of a proposed settlement of a derivative action entitled Jack Olive, et al. v. National Income Realty Trust, et al. (the "Olive Litigation"). Income Opportunity Realty Investors, Inc. ("IOT"), TCI and ART are parties to the Olive Litigation. The Settlement Agreement requires through the mechanism of freeze-out mergers that IOT and TCI become subsidiaries of ARL. Under the Settlement Agreement, persons not affiliated with ARL, ART, BCM or Gene E. Phillips are to receive \$19 per share in cash for the IOT Common Stock, or \$17.50 per share in cash for TCI Common Stock. In the freeze-out mergers, the non-affiliated stockholders will have the opportunity (but no obligation) to affirmatively elect to receive shares of Preferred Stock of ARL having a liquidation value of \$21.50 per share in cash in exchange for the IOT's Common Stock or \$20 per share in cash for TCI Common Stock. In the freeze-out mergers, the entities affiliated with ARL and BCM will receive shares of ARL Preferred Stock for shares of Common Stock of the IOT and/or TCI held by them. The purchase prices and liquidation values have been established under the Settlement Agreement. The freeze-out mergers are to occur only after satisfaction of certain conditions, including the approval of each freeze-out merger by a majority of the shares held by stockholders of TCI and/or IOT who are not affiliated with BCM, ARL or their affiliates who vote in person or by proxy at meetings of stockholders called for that purpose. It is presently anticipated that the proposed acquisitions through the freeze-out mergers would occur during the third calendar quarter of 2002 (July 1 - September 30, 2002). If such mergers occur, TCI would become a wholly-owned subsidiary of ARL, and the Shares would become eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934.

-4-

Except with respect to the proposed merger transaction described above, and any ancillary affect same would have on the following items, the Reporting Persons do not have any plans or proposals which relate to or would result in:

- (a) The acquisition by any person of additional securities of the Issuer or the disposition of securities of the Issuer;

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

(b) An extraordinary corporate transaction, such a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries;

(c) A sale or transfer of a material amount of assets of TCI or any of its subsidiaries (except that as part of the proposed merger transaction, certain real property assets owned by the Issuer may be sold);

(d) Any change in the present Board of Directors or Management of TCI, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the Board;

(e) Any material change in the present capitalization or dividend policy of TCI;

(f) Any other material change in TCI's business or corporate structure;

(g) Changes in TCI's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of TCI by any person (except that the Reporting Persons' collective ownership of 64.5% of the outstanding Shares would itself be an impediment to any potential change of control not approved by the Reporting Persons);

(h) Causing a class of securities of TCI to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association (except that if the merger of TCI with a subsidiary of ARL is effectuated, TCI's Shares will no longer be eligible for listing on a national securities exchange);

(i) A class of equity securities of TCI becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, as amended (except that if the merger of TCI with.

-5-

a subsidiary of ARL is consummated, the number of common stockholders of TCI will be reduced below 300, and such Shares would then become eligible for termination of registration); or

(j) Any actions similar to any of those enumerated above.

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 January 31, 2002, the total number of issued and outstanding Shares was 8,042,629 Shares. As of January 31, 2002, the following Shares were owned directly and beneficially by the Reporting Persons set forth below:

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

Name	No. of Shares Owned Directly	Approximate % Class
----	-----	-----
ART*	3,994,300	49.7%
BCM	1,166,977	14.5%
AHI	-0-	-0-
GEP Trust	1,827	0.002%
SAM LP	26,475	0.3%
ARL*	3,994,300	49.7%
EQK**	3,994,300	49.7%
	-----	-----
Totals	5,189,549***	64.5%
	=====	=====

-----

\* Same Shares owned by EQK; EQK is a wholly-owned subsidiary of ART which in turn is a wholly-owned subsidiary of ARL; ARL is the indirect parent of EQK.

\*\* Effective August 10, 2001, ART transferred to its subsidiary EQK 2,135,400 Shares, all of which had previously been purchased in open market transactions over a period of years.

\*\*\* If the merger of TCI with a subsidiary of ARL is consummated (i) the 1,166,977 Shares held by BCM will be converted into 1,166,977 shares of ARL Series G Preferred Stock, (ii) the 1,827 Shares held by the GEP Trust will be converted into 1,827 shares of ARL Series G Preferred Stock, (iii) the 26,475 Shares held by SAM LP will be converted into 26,425 shares of ARL Series G Preferred Stock, and (iv) the 3,994,300 Shares held by EQK will be cancelled.

Pursuant to Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), each of the directors of ARL, ART and EQK may be deemed to beneficially own the number of Shares owned.

-6-

by EQK described above; each of the directors of BCM may be deemed to beneficially own the Shares held directly by BCM; and each of the directors of SAMI and the other General Partner of SAM LP may be deemed to beneficially own the Shares held by SAM LP. 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 or General Partner	Entity	No. of Shares Beneficially Owned	% of Class
-----	-----	-----	-----
Collene C. Currie	ARL	3,994,300*	49.7%
Earl D. Cecil	ARL	3,994,300*	49.7%
Richard W. Humphrey	ARL	3,994,300*	49.7%
Joseph Mizrachi	ARL	3,994,300*	49.7%
Ryan T. Phillips	BCM+	1,168,804	14.5%
Mickey Ned			

## Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

Phillips	BCM	1,166,977	14.5%
Donald W. Phillips	GEP Trust	1,827	0.002%
Gene E. Phillips	SAM LP	26,475	0.3%
SAMI	SAM LP	26,475	0.3%
Robert A. Waldman	ART and EQK	3,994,300*	49.7%
Ronald E. Kimbrough	ART and EQK	3,994,300*	49.7%
		-----	-----
Total Units beneficially owned by Reporting Persons and individuals listed above:		5,189,549	64.5%
		=====	=====

-----

+ Also beneficiary of the GEP Trust.

(b) Each of the directors of EQK share voting and dispositive power over the 3,994,300 Shares held by EQK. The directors of BCM have shared voting and dispositive power over the 1,163,677 Shares held by BCM. The two General Partners of SAM LP each have shared voting and dispositive power over the 26,475 Shares by SAM LP. The Trustee of the GEP Trust has the sole voting and dispositive power over the 1,827 Shares held by the GEP Trust.

During the 60 calendar days ended January 31, 2002, the Reporting Persons and their executive officers, directors, partners and trustees, as the case may be, did not engage in any transaction in the Shares or any other equity interest derivative thereof.

(d) No person other than the Reporting Persons or its respective Board of Directors, General Partners or Trustee is known to have the right to receive or the power to direct receipt.

-7-

of dividends from, or the proceeds of sale of, the Shares held by each of the Reporting Persons, subject to the matters set forth in Item 6 below.

(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:

EQK has pledged 2,601,798 Shares to Sunset Management, LLC pursuant to a loan agreement with such lender. EQK has also pledged 843,111 Shares to Dynamic Finance Corporation as collateral for indebtedness under a loan agreement with such collateral for a guaranty of indebtedness of ART under a loan agreement with such lender. EQK has also pledged 249,191 Shares to Preferred Bank as collateral for a guaranty of indebtedness of ART under a loan agreement with such lender. The remaining 300,000 Shares owned directly by EQK may be deemed to be "collateral" for borrowings pursuant to margin or other account arrangements with bankers and brokerage firms relating to accounts of EQK. 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

## Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

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.

BCM has pledged 920,507 Shares to Sunset Management, LLC pursuant to a loan agreement with such lender. BCM has also pledged 36,689 Shares to Dynamic Finance Corporation as collateral for a guaranty of indebtedness of an affiliate of BCM under a loan agreement with such lender. The remaining 209,751 Shares owned by BCM may be deemed to be "collateral" for borrowings pursuant to margin or other account arrangements with bankers and brokerage firms relating to accounts of BCM. Such arrangements are standard arrangements involving margin securities of up to a specified percentage of the 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

-8-

Shares and interest costs under such arrangements vary with applicable costs and account balances.

All 26,475 Shares owned by SAM LP may be deemed to be "collateral" for borrowings pursuant to margin or other account arrangements with Bear Stearns relating to an account of SAM LP. Such arrangement with such brokerage firm is a standard arrangement involving margin securities of up to a specified percentage of the market value of all securities in such account, including the Shares, and bears interest at varying rates and contains only standard default and similar provisions, the operation of which should not give any other person immediate voting power or investment power over such securities.

All 1,827 Shares owned by the GEP Trust may be deemed to be "collateral" for borrowings pursuant to margin or other account arrangements with a brokerage firm relating to an account of the GEP Trust. Such arrangements are standard arrangements involving margin securities of up to a specified percentage of the 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 account, and it is impracticable at any given time to determine the amount, if any, with respect to the Shares and interest cost under such arrangements 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, division of profits or loss, or the giving or withholding of proxies.

### ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 of the Amended Statement is hereby further amended to add the following exhibits, which are filed herewith or are incorporated by reference as indicated below:

-9-

EXHIBIT DESIGNATION -----	DESCRIPTION OF EXHIBIT. -----
2.1	Second Amendment to Modification of Stipulation of Settlement effective October 17, 2001 (incorporated by reference to Exhibit 10.1 to Transcontinental Realty Investors, Inc. Current Report on Form 8-K filed on April 10, 2002, File No. 001-9240).
2.2	Amendment to Second Amendment to Modification of Stipulation dated February 4, 2002 (incorporated by reference to Exhibit 10.2 to Transcontinental Realty Investors, Inc. Current Report on Form 8-K filed on April 10, 2002, File No. 001-9240).
2.3	Order entered February 12, 2002, by the United States District Court, Northern District of California (incorporated by reference to Exhibit 10.3 to Transcontinental Realty Investors, Inc. Current Report on Form 8-K filed on April 10, 2002, File No. 001-9240).

-10-

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. 36 to Statement on Schedule 13D is true, complete and correct.

Dated: April 12, 2002

SYNTEK ASSET MANAGEMENT, LP,  
a Delaware limited partnership

By: Syntek Asset Management,  
Inc., General Partner

By: /s/ Ronald E. Kimbrough  
-----

Ronald E. Kimbrough  
Executive Vice President

AMERICAN REALTY INVESTORS, INC.

By: /s/ Ronald E. Kimbrough  
-----

Ronald E. Kimbrough  
Executive Vice President

AMERICAN REALTY TRUST, INC.

By: /s/ Ronald E. Kimbrough  
-----

Ronald E. Kimbrough  
Executive Vice President

BASIC CAPITAL MANAGEMENT, INC.

By: /s/ Ronald E. Kimbrough  
-----

Ronald E. Kimbrough  
Executive Vice President



Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

ART HOLDINGS, INC.

EQK HOLDINGS, INC.

By: /s/ Ronald E. Kimbrough

By: /s/ Ronald E. Kimbrough

-----  
 Ronald E. Kimbrough  
 Executive Vice President

-----  
 Ronald E. Kimbrough  
 Executive Vice President

THE GENE E. PHILLIPS  
 CHILDREN'S TRUST

By: /s/ Donald W. Phillips

-----  
 Donald W. Phillips, Trustee

-11-

SCHEDULE 1

EXECUTIVE OFFICERS AND DIRECTORS OF  
 AMERICAN REALTY TRUST, INC.

NAME AND CAPACITY WITH AMERICAN REALTY TRUST, INC. -----	BUSINESS ADDRESS -----	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED -----
Ronald E. Kimbrough, Director and Executive Vice President and Chief Financial Officer	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Mark W. Branigan, Executive Vice President - Residential	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
David W. Starowicz, Executive Vice President - Commercial Asset Management	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Louis J. Corna, Executive Vice President - Tax	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Robert A. Waldman, Director, Senior Vice President, Secretary and General Counsel	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President General Counsel and Secretary, Basic Capital Management Inc.

SCHEDULE 2

EXECUTIVE OFFICERS AND DIRECTORS OF  
ART HOLDINGS, INC.

NAME AND CAPACITY WITH ART HOLDINGS, INC. -----	BUSINESS ADDRESS -----	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED -----
Robert A. Waldman, Director and Secretary	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President, General Counsel and Secretary, Basic Capital Management, Inc.
Ronald E. Kimbrough, Director, Vice President and Chief Financial Officer	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President and Chief Financial Officer, Basic Capital Management, Inc.

SCHEDULE 3

EXECUTIVE OFFICERS AND DIRECTORS OF  
BASIC CAPITAL MANAGEMENT, INC.

NAME AND CAPACITY WITH BASIC CAPITAL MANAGEMENT, INC. -----	BUSINESS ADDRESS -----	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED -----
Ryan T. Phillips, Director	1800 Valley View Lane Suite 300 Dallas, Texas 75234	President, Signature Asset Management, Inc.
Mickey Ned Phillips, Director 264	Rolling Hills Circle Gaffney, SC 29340	President, Ned Phillips Construction Company
Ronald E. Kimbrough, Executive Vice President and Chief Financial Officer	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Mark W. Branigan, Executive Vice President - Residential	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President - Residential, Basic Capital Management, Inc.
David W. Starowicz,	1800 Valley View Lane	Executive Vice

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

Executive Vice President - Commercial Asset Management	Suite 300 Dallas, Texas 75234	President, Basic Capital Management, Inc.
Louis J. Corna, Executive Vice President - Tax	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President - Tax, Basic Capital Management, Inc.
Robert A. Waldman, Senior Vice President, Secretary and General Counsel	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President, General Counsel and Secretary, Basic Capital Management, Inc.

Schedules - Page 3

SCHEDULE 4

EXECUTIVE OFFICERS AND DIRECTORS OF  
SYNTEK ASSET MANAGEMENT, INC.

NAME AND CAPACITY WITH SYNTEK ASSET MANAGEMENT, INC. -----	BUSINESS ADDRESS -----	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED -----
Ronald E. Kimbrough, Executive Vice President and Chief Financial Officer	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Mark W. Branigan, Executive Vice President - Residential	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
David W. Starowicz, Executive Vice President - Commercial Asset Management	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Robert A. Waldman, Senior Vice President, Secretary and General Counsel	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President, General Counsel and Secretary, Basic Capital Management, Inc.

Schedules - Page 4

SCHEDULE 5

EXECUTIVE OFFICERS AND DIRECTORS OF  
AMERICAN REALTY INVESTORS, INC.

Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

NAME AND CAPACITY WITH AMERICAN REALTY INVESTORS INC.	BUSINESS ADDRESS	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED
Collene C. Currie, Director	4835 LBJ Freeway, 8th Floor Dallas, Texas 75244	Director of Client Development, Edeagroup
Earl D.. Cecil, Director	3780 Paseo Vista Famosa Rancho Santa Fe, CA 92091	Financial and Business Consultant
Richard w. Humphrey, Director	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Real Estate Sales and Acquisitions, Regis Realty, Inc.
Joseph Mizrachi, Director	7700 Congress Avenue Suite 3106 Boca Raton, Florida 33487	Investments
Ronald E. Kimbrough, Executive Vice President and Chief Financial Officer	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Louis J. Corna, Executive Vice President - Tax	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
David W. Starowicz, Executive Vice President - Commercial Asset Management	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Mark W. Branigan, Executive Vice President - Residential	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Robert A. Waldman, Senior Vice President, Secretary and General Counsel	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President, General Counsel and Secretary, Basic Capital Management, Inc.

Schedules - Page 5

SCHEDULE 6

EXECUTIVE OFFICERS AND DIRECTORS OF  
EQK HOLDINGS, INC.

NAME AND CAPACITY WITH EQK HOLDINGS, INC.	BUSINESS ADDRESS	PRESENT BUSINESS IN WHICH EMPLOYMENT IS CONDUCTED
---	------------------	---

## Edgar Filing: TRANSCONTINENTAL REALTY INVESTORS INC - Form SC 13D/A

Ronald E. Kimbrough, Director and Vice President	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Mark W. Branigan, Vice President	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Louis J. Corna, Vice President	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Executive Vice President, Basic Capital Management, Inc.
Robert A. Waldman, Director and Secretary	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Senior Vice President, General Counsel and Secretary, Basic Capital Management, Inc.
John Cook, Vice President	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Vice President Basic Capital Management, Inc.
Thomas Bell, Vice President	1800 Valley View Lane Suite 300 Dallas, Texas 75234	Vice President Basic Capital Management, Inc.

Schedules - Page 6