AMERICAN REALTY INVESTORS INC
Form 8-K
January 08, 2002

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

December 24, 2001
Date of Report (Date of Earliest Event Reported)

AMERICAN REALTY INVESTORS, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada	1-15663	75-2847135
(State of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)

1800 Valley View Lane, Suite 300,	Dallas, TX	75234
(Address of Principal Executive Offices)		(Zip Code)

Registrant's Telephone Number, Including Area Code: (469) 522-4200

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

In 2001, American Realty Investors, Inc. ("ARI") has sold a significant amount of its properties, as follows:

Sale Date	Property	Location	Units/ Sq.Ft./Acres	Sales Price	Gain/[Loss] on Sale	% of As
Apartments				(dollars in Thousands)		
02/08/01	Rockborough	Denver, CO	345 Units	$16,675	$13,471	0.
02/28/01	Carriage Park	Tampa, FL	46 Units	2,005	663	0.
04/06/01	Kimberly Woods	Tucson, AZ	279 Units	8,450	6,052	0.
05/10/01	Place One	Tulsa, OK	407 Units	12,935	8,623	0.
05/16/01	Shadowood	Addison, TX	184 Units	7,125	4,644	0.
05/18/01	Glenwood	Addison, TX	168 Units	6,650	(560)	0.
05/31/01	Bent Tree	Addison, TX	292 Units	12,050	7,081	0.
07/03/01	Club Mar	Sarasota, FL	248 Units	8,500	2,328	0.
08/16/01	Covered Bridge	Gainesville, FL	176 Units	7,900	6,042	0.
09/06/01	Crossing at Church	Tampa, FL	52 Units	1,880	623	0.
09/06/01	Ashford	Tampa, FL	56 Units	2,145	(985)	0.
09/27/01	Chalet I	Topeka, KS	162 Units	5,650	3,952	0.
09/27/01	Chalet II	Topeka, KS	72 Units	2,100	434	0.
10/18/01	Nora Pines	Indianapolis, IN	254 Units	9,850	6,957	0.
11/15/01	Timber Creek	Omaha, NE	180 Units	7,500	5,219	0.
11/27/01	Blackhawk	FT. Wayne, IN	209 Units	7,100	5,110	0.
12/06/01	Woodstock	Dallas, TX	320 Units	9,600	5,184	0.
Commercial						
03/14/01	Regency Pointe	Jacksonville, FL	67,410 Sq.Ft.	7,350	2,232	0.
12/24/01	Executive Court	Memphis, TN	41,840 Sq.Ft.	1,970	-	0.
Land						
01/12/01	Plano Parkway	Plano, TX	11.3 Acres	1,445	-	0.
01/16/01	Scoggins	Tarrant County, TX	232.8 Acres	2,913	181	0.
01/16/01	Scout	Tarrant County, TX	408.0 Acres	5,087	2,969	0.
03/04/01	Las Colinas	Las Colinas, TX	1.7 Acres	825	539	0.
03/07/01	Katrina	Palm Desert, CA	20.0 Acres	2,831	-	0.
03/29/01	Frisco Bridges	Collin County, TX	27.8 Acres	4,500	25	0.
03/30/01	Tree Farm	Dallas County, TX	10.4 Acres	2,888	75	0.
04/10/01	Katrina	Palm Desert, CA	20.0 Acres	2,940	516	0.
05/11/01	Mason Goodrich	Houston, TX	22.1 Acres	4,168	2,896	0.
05/30/01	Plano Parkway	Plano, TX	12.0 Acres	740	(991)	0.
06/15/01	Yorktown	Harris County, TX	120.4 Acres	5,239	(1,497)	0.
07/16/01	Elm Fork	Denton County, TX	10.0 Acres	1,002	284	0.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS (Continued)

Sale Date	Property	Location	Units/ Sq.Ft./Acres	Sales Price	Gain/[Loss] on Sale	% of AR Asset
				(dollars in thousands)		
Land - Continued						
07/25/01	Chase Oaks	Plano, TX	22.3 Acres	$ 2,874	$ 870	0.24%
07/25/01	Katrina	Palm Desert, CA	6.1 Acres	1,196	570	0.07%
08/24/01	Nashville	Nashville, TN	2.0 Acres	26	(82)	0.01%
08/24/01	Nashville	Nashville, TN	1.2 Acres	8	(59)	0.01%
08/27/01	Rasor	Plano, TX	6.6 Acres	350	34	0.04%
09/14/01	Katrina	Palm Desert, CA	2.2 Acres	800	514	0.03%
09/21/01	Chase Oaks	Plano, TX	4.9 Acres	1,973	1,416	0.05%
10/15/01	Katrina	Palm Desert, CA	1.4 Acres	284	117	0.02%
11/01/01	Santa Clarita	Santa Clarita, CA	12.7 Acres	2,100	952	0.12%
11/14/01	Santa Clarita	Santa Clarita, CA	6.7 Acres	500	(501)	0.06%
11/20/01	Nashville	Nashville, TN	4.2 Acres	600	302	0.03%
12/13/01	Elm Fork	Denton County, TX	107.0 Acres	5,600	(2,146)	0.88%
				$ 188,324	$ 84,054	10.46%

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Proforma statements of operations are presented for the year ended December 31, 2000, and the nine months ended September 30, 2001. The proforma statement of operations present ARI's operations as if the transactions described above had occurred at January 1 of each of the periods presented. A proforma balance sheet as of September 30, 2001, is also presented. The proforma balance sheet presents the property sales described above, as if they had occurred at January 1, 2001.

AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED CONSOLIDATED BALANCE SHEET

SEPTEMBER 30, 2001

	Actual/(1)/	Nora Pines/(2)/	Timber Creek/(2)/	Blackhawk(/2)/	Woodstock
			(dollars in thousands)		
Assets					
Real estate held for investment ..	$ 506,680	$ (4,876)	$ (3,583)	$ (4,800)	$ (6,8
Less - accumulated depreciation ..	(130,567)	3,263	2,390	3,249	3,9

	376,113	(1,613)	(1,193)	(1,551)	(2,8
Real estate held for sale	228,476	--	--	--	
Notes and interest receivable					
Performing	23,914	--	--	--	
Non-performing	7,885	--	--	--	
Less - allowance for losses	(2,577)	--	--	--	
	29,222	--	--	--	
Net pizza parlor equipment	7,384	--	--	--	
Net leasehold interest	4,718	--	--	--	
Net oilfield equipment	344	--	--	--	
Marketable equity securities	108	--	--	--	
Investments in equity investees ..	78,046	--	--	--	
Cash and cash equivalents	5,014	(5)	(8)	(1)	
Net intangibles	15,883	--	--	--	
Other assets	35,070	(5,329)	(4,998)	(2,556)	(2,7
	$ 780,378	$ (6,947)	$ (6,199)	$ (4,108)	$ (5,6

	Nashville/(2)/	Elm Fork/(2)/	Executi Court/(
Assets			
Real estate held for investment ..	$ --	$ --	$ (3,11
Less - accumulated depreciation ..	--	--	1,86
	--	--	(1,24
Real estate held for sale	(7,146)	(16,648)	-
Notes and interest receivable			
Performing	--	--	-
Non-performing	--	--	-
Less - allowance for losses	--	--	-
	--	--	-
Net pizza parlor equipment	--	--	-
Net leasehold interest	--	--	-
Net oilfield equipment	--	--	-
Marketable equity securities	--	--	-
Investments in equity investees ..	--	--	-
Cash and cash equivalents	--	--	(1
Net intangibles	--	--	-
Other assets	4,103	10,408	93
	$ (3,043)	$ (6,240)	$ (31

AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED CONSOLIDATED BALANCE SHEET - Continued
SEPTEMBER 30, 2001

	Actual/(1)/	Nora Pines/(2)/	Timber Creek/(2)/	Blackhawk/(2)/	W
		(dollars in thousands)			
Liabilities and Equity					
Notes and interest payable	$582,139	$ (5,624)	$ (4,563)	$ (4,074)	
Margin borrowings	28,703	--	--	--	
Other liabilities	44,513	(177)	(175)	(166)	
	655,355	(5,801)	(4,738)	(4,240)	
Minority interest	37,634	--	--	--	
Redeemable Preferred Stock	3,969	--	--	--	
Stockholders' Equity					
Preferred stock	4,950	--	--	--	
Common stock	118	--	--	--	
Paid-in capital	112,195	--	--	--	
Accumulated (deficit)	(33,827)	(1,146)	(1,461)	132	
Treasury stock	(16)	--	--	--	
	83,420	(1,146)	(1,461)	132	
	$780,378	$ (6,947)	$ (6,199)	$ (4,108)	

	Santa Clarita/(2)(3)/	Nashville/(2)/	Elm Fork/(2)/	Executive Court/(2)/	Proform
Liabilities and Equity					
Notes and interest payable	$ --	$ (6,472)	$ (7,533)	$ --	$ 548,9
Margin borrowings	--	--	--	--	28,7
Other liabilities	(2)	(364)	(63)	(30)	43,2
	(2)	(6,836)	(7,596)	(30)	620,9
Minority interest	--	--	--	--	37,6
Redeemable Preferred Stock	--	--	--	--	3,9
Stockholders' Equity					
Preferred stock	--	--	--	--	4,9

Common stock	--	--	--	--	1
Paid-in capital	--	--	--	--	112,1
Accumulated (deficit)	98	3,793	1,356	(286)	(31,9
Treasury stock	--	--	--	--	(
	98	3,793	1,356	(286)	85,2
	$ 96	$ (3,043)	$ (6,240)	$ (316)	$ 747,8

(1) Includes properties sold prior to September 30, 2001.
(2) Assumes sale by ARI on January 1, 2001.
(3) Includes two sales transactions.

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AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED STATEMENT OF OPERATIONS /(1)(2)/
NINE MONTHS ENDED SEPTEMBER 30, 2001

	Actual	Apartments/(3)/	Commercial/(4)/	Lan
			(dollars in thousands)	
Property revenue				
Rents	$ 98,748	$ (11,025)	$ (570)	$
Property operations expenses	71,246	(6,637)	(208)	(2
	27,502	(4,388)	(362)	2
Land operations				
Sales	41,806	--	--	9
Cost of sales	33,546	--	--	10
	8,260	--	--	(1
Pizza parlor operations				
Sales	25,282	--	--	
Cost of sales	20,715	--	--	
	4,567	--	--	
Oil and gas operations				
Sales	97	--	--	
Operating expenses	186	--	--	
	(89)	--	--	
Income from operations	40,240	(4,388)	(362)	1
Other income				
Interest and other	2,055	(28)	(17)	
Equity in income of investees	9,157	--	--	

Gain on sale of real estate	54,600	22,470	--	
	65,812	22,442	(17)	
Other expense				
Interest	56,242	(5,057)	(134)	(8
Depreciation	13,169	(714)	(106)	
Advisory fees	4,971	(113)	(18)	
Net income fee	638	181	(18)	1
Incentive fees	7,477	802	--	
General and administrative	9,083	--	--	
Minority interest	2,483	--	--	
	94,063	(4,901)	(276)	(7
Net income (loss)	11,989	22,955	(103)	8
Preferred dividend requirement	(1,868)	--	--	
Net income (loss) applicable to Common shares	$ 10,121	$ 22,955	$ (103)	$ 8
Basic and diluted earnings per share Net income	$ 1.00			
Weighted average Common shares used in computing earnings per share	10,141,840			

AMERICAN REALTY INVESTORS, INC.
NOTES TO PROFORMA COMBINED
STATEMENT OF OPERATIONS
NINE MONTHS ENDED SEPTEMBER 30, 2001

(1) The Proforma Combined Statement of Operations assumes that each property was sold by ARI on January 1, 2001.

(2) Operating results for sold properties are their actual operating results from January 1 to their respective date of sale.

(3) Includes the Rockborough and Carriage Park Apartments sold in February 2001; Kimberly Woods Apartments sold in April 2001; Place One, Shadowood, Glenwood and Bent Tree Apartments sold in May 2001; Club Mar Apartments sold in July 2001; Covered Bridge Apartments sold in August 2001; Ashford, Crossing at Church Street, Chalet I and Chalet II Apartments sold in September 2001; Nora Pines Apartments sold in October 2001; Timbercreek and Blackhawk Apartments sold in November 2001; and Woodstock Apartments sold in December 2001.

(4) Includes the Regency Point Shopping Center sold in March 2001 and the Executive Court Office Building sold in December 2001.

(5) Includes the sale of the Scoggins land parcel and the partial sale of the Plano Parkway and Scout land parcels in January 2001; the sale of the Tree Farm land parcel and the partial sale of the Las Colinas, Katrina and Frisco Bridges land parcels in March 2001; the partial sale of the Katrina land parcel in April 2001; the sale of the Plano Parkway land parcel and the partial sale of the Mason/Goodrich land parcel in May 2001; the sale of the Yorktown land parcel in June 2001; the partial sale of the Elm Fork, Chase Oaks and Katrina land parcels in July 2001; the partial sale of the Nashville and Rasor land parcels in August 2001; the partial sale of the Katrina and Chase Oaks land parcels in September 2001; the partial sale of the Katrina land parcel in October 2001; the sale of the Santa Clarita land parcel and the partial sale of the Nashville land parcel in November 2001; and the partial sale of the Elm Fork land parcel in December 2001.

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AMERICAN REALTY INVESTORS, INC.
PROFORMA COMBINED STATEMENT OF OPERATIONS /(1)(2)/
YEAR ENDED DECEMBER 31, 2000

	Actual	Apartments/(3)/	Commercial/(4)
			(dollars in thousands)
Property revenue			
Rents..................................	$ 138,160	$ (21,275)	$ (1,584)
Property operations expenses)..........	94,081	(11,598)	(524)
	44,079	(9,677)	(1,060)
Land operations			
Sales..................................	119,384	--	--
Cost of sales..........................	90,383	--	--
	29,001	--	--
Pizza parlor operations			
Sales..................................	32,551	--	--
Cost of sales..........................	26,767	--	--
	5,784	--	--
Income from operations....................	78,864	(9,677)	(1,060)
Other income			
Interest and other.....................	2,039	--	47
Equity in income of investees..........	5,246	--	--
Gain on sale of real estate............	67,727	74,838	2,232
	75,012	74,838	2,279
Other expense			
Interest...............................	76,702	(4,671)	(178)
Depreciation...........................	16,879	(1,883)	(317)
Advisory fees..........................	5,049	(613)	(81)
Net income fee.........................	--	6,908	435
Incentive fee..........................	1,646	8,163	116
General and administrative.............	17,973	--	--
Provision for loss.....................	2,248	--	--
Minority interest......................	30,700	--	--

	151,197	7,904	(25)
Net income (loss)........................	2,679	57,257	1,244
Preferred dividend requirement...........	(2,327)	--	--
Net income (loss) applicable to Common shares.........................	$ 352	$ 57,257	$ 1,244
Basic and diluted earnings per share Net income............................	$ .03		
Weighted average Common shares used in computing earnings per share.............................	10,399,890		

AMERICAN REALTY INVESTORS, INC.
NOTES TO PROFORMA COMBINED
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000

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(2) Operating results for sold properties are their actual operating results for the year ended December 31, 2000.

(3) Includes the Rockborough and Carriage Park Apartments sold in February 2001; Kimberly Woods Apartments sold in April 2001; Place One, Shadowood, Glenwood and Bent Tree Apartments sold in May 2001; Club Mar Apartments sold in July 2001; Covered Bridge Apartments sold in August 2001; Ashford, Crossing at Church Street, Chalet I and Chalet II Apartments sold in September 2001; Nora Pines Apartments sold in October 2001; Timbercreek and Blackhawk Apartments sold in November 2001; and Woodstock Apartments sold in December 2001.

(4) Includes the Regency Point Shopping Center sold in March 2001 and the Executive Court Office Building sold in December 2001.

(5) Includes the sale of the Scoggins land parcel and the partial sale of the Plano Parkway and Scout land parcels in January 2001; the sale of the Tree Farm land parcel and the partial sale of the Las Colinas, Katrina and Frisco Bridges land parcels in March 2001; the partial sale of the Katrina land parcel in April 2001; the sale of the Plano Parkway land parcel and the partial sale of the Mason/Goodrich land parcel in May 2001; the sale of the Yorktown land parcel in June 2001; the partial sale of the Elm Fork, Chase Oaks and Katrina land parcels in July 2001; the partial sale of the Nashville and Rasor land parcels in August 2001; the partial sale of the Katrina and Chase Oaks land parcels in September 2001; the partial sale of the Katrina land parcel in October 2001; the sale of the Santa Clarita land parcel and the partial sale of the Nashville land parcel in November 2001; and the partial sale of the Elm Fork land parcel in December 2001.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

AMERICAN REALTY INVESTORS, INC.

Date: January 8, 2002

By: /s/ Brent Horak

Brent Horak
Vice President and
Chief Financial Officer
(Principal Financial Officer)