

BASIC CAPITAL MANAGEMENT INC

Form 4

February 10, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

Check this box  
if no longer  
subject to  
Section 16.  
Form 4 or  
Form 5  
obligations  
may continue.  
See Instruction  
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**BASIC CAPITAL MANAGEMENT  
INC**

2. Issuer Name **and** Ticker or Trading  
Symbol  
**AMERICAN REALTY  
INVESTORS INC [ARL]**

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
02/01/2006

\_\_\_\_ Director \_\_\_\_ ☒ 10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)

(Street)

4. If Amendment, Date Original  
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3)                | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|--|---|---|---|---|--|--|---|
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 02/01/2006                              |   | J                                       | 234,450<br>(1)  | A \$<br>9.065  | 234,450  | I (1)   |
| Common<br>Stock, par<br>value<br>\$0.01 per<br>share | 02/01/2006                              |   | J                                       | 1,437,208   | A \$<br>9.065  | 1,437,208  | I   |
| Common<br>Stock, par                                 | 02/01/2006                              |   | J                                       | 6,703,045   | A \$<br>9.065  | 6,703,045  | D   |

By subsidiary  
One Realco  
Stock  
Holdings, Inc.

By subsidiary  
Prime Income  
Asset  
Management,  
Inc.

value  
\$0.01 per  
share

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Transaction (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares   |

Reporting Owners

| Reporting Owner Name / Address | Relationships                    |
|--------------------------------|----------------------------------|
|                                | Director 10% Owner Officer Other |
| BASIC CAPITAL MANAGEMENT INC   | X                                |

Signatures

Steven A. Abney, Executive Vice President and Chief Financial Officer 02/10/2006

Signature of Reporting Person Date

Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- On February 1, 2006, Prime Income Asset Management, Inc. ("Prime") acquired all of the outstanding voting securities of One Realco (1) Stock Holdgins, Inc. ("ORSH"), which holds as an asset 234,450 shares of Common Stock of American Realty Investors, Inc. Basic Capital Management, Inc. ("BCM") owns 80% of the outstanding voting securities of Prime.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

## Edgar Filing: BASIC CAPITAL MANAGEMENT INC - Form 4

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.