

INCOME OPPORTUNITY REALTY INVESTORS INC /TX/  
Form SC 13D/A  
June 21, 2011

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934

(Amendment No. 26)

INCOME OPPORTUNITY REALTY INVESTORS, INC.

(Name of Issuer)

Common Stock, per value \$0.01 par value

(Title of Class of Securities)

452926-10-8

(CUSIP Number)

Steven C. Metzger

Metzger & McDonald PLLC

3626 N. Hall Street, Suite 800

Dallas, Texas 75219

(214) 740-5030

(214) 523-3838 (Facsimile)

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

June 13, 2011

(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).

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CUSIP No. 452926-10-8

1) Names of Reporting Persons I.R.S. Identification Nos. of Above Persons (entities only)  
Transcontinental Realty Investors, Inc.

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

(b)

3) SEC Use Only

WC

4) Source of Funds (See Instructions)

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

Nevada

6) Citizenship or Place of Organization

Number of  
Shares Beneficially  
Owned by  
Each Reporting Person  
With

3,494,655

7) Sole Voting Power

-0-

8) Shared Voting Power

3,494,655

9) Sole Dispositive Power

-0-

10) Shared Dispositive Power

3,494,655

11) Aggregate Amount Beneficially Owned by Each Reporting Person

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

83.84%

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

CO

14) Type of Reporting Person (See Instructions)

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**Item 1. Security and Issuer.**

This Amendment No. 26 to Statement on Schedule 13D (this Amendment No. 26 ) relates to shares of Common Stock, par value \$0.01 per share (the Shares ) of Income Opportunity Realty Investors, Inc., a Nevada corporation (the Issuer or IOT ) and further amends the Original Statement on Schedule 13D as amended by Amendments No. 1 through 25 (the Amended Statement ) filed on behalf of the Reporting Person described below. The principal executive offices of IOT are located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. The CUSIP No. of the Shares is 452926-10-8.

This Amendment No. 26 is being filed to reflect disposition by a brokerage firm for a pledgee of Shares owned by the Reporting Person of a total of 43,520 Shares (1.04%). See Item 5 below.

**Item 2. Identity and Background.**

(a)-(c), (f) This Amendment No. 26 to Statement on Schedule 13D is filed on behalf of Transcontinental Realty Investors, Inc., a Nevada corporation ( TCI ) which has its common stock listed and traded on the New York Stock Exchange ( NYSE ) and which has its principal executive offices located at 1800 Valley View Lane, Suite 300, Dallas, Texas 75234. The name, business address and capacity with TCI of each of the current executive officers or directors of TCI have previously been disclosed. Each of the individual executive officers or directors of TCI is a citizen of the United States of America. Approximately 81% of TCI s Common Stock is owned by subsidiaries of American Realty Investors, Inc., a Nevada corporation ( ARL ) which also has its Common Stock listed and traded on the NYSE.

**Item 5. Interest in Securities of the Issuer.**

(a) According to the latest information available as of May 12, 2011, the total number of issued and outstanding Shares is believed to be 4,168,214 Shares. As of June 13, 2011, after giving effect to the items reported in Item 5(c) below, TCI as the Reporting Person owns and holds directly and beneficially 3,494,655 Shares or approximately 83.84% of the class of outstanding Shares. Pursuant to Rule 13d-3 under the Exchange Act, each of the directors of TCI may be deemed to beneficially own the number of Shares owned by TCI described above. Those individuals are Henry A. Butler, Robert A. Jakuszewski, Ted R. Munselle, RL S. Lemke and Martha C. Stephens, each of whom may be deemed to beneficially own 3,494,655 Shares or approximately 83.84% of the Shares issued and outstanding. Pursuant to Rule 13d-4, each of Messrs. Butler, Jakuszewski, Munselle and Lemke and Ms. Stephens expressly declares that the filing of this Amendment No. 26 to Statement on Schedule 13d shall not be construed as an admission that any of such individual directors are, for purposes of Section 13d or 13g of the Exchange Act, the beneficial owner of any securities covered by this Amendment No. 26 to Statement on Schedule 13D.

(b) Each of the directors of TCI share voting and dispositive power over the 3,494,655 Shares held by TCI.

(c) During the sixty calendar days ended June 13, 2011, except for the disposition of 43,520 Shares at prices ranging from \$2.75 to \$4.01 per Share described below, the Reporting Person

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and its executive officers and directors did not engage in any transaction in the Shares or any other equity interests derivative thereof. On the date set forth below, Metropolitan National Bank (Arkansas) which holds a number of Shares owned by TCI pursuant to an accommodation pledge sold through a brokerage firm into the market an aggregate of 43,520 Shares at prices ranging from \$2.75 to \$4.01 per Share as follows (such bank did not inform the Reporting Person of any of such sales until Friday, June 3, 2011):

<b>Liquidation Date (No. Trades at same Price on Same Day)</b>	<b>Shares Liquidated Owned by TCI</b>	<b>Per Share Liquidation Price</b>	<b>Total Liquidation Price*</b>
2/25/11	1,000	\$3.0101	\$3,010.10
2/25/11	200	\$3.264	\$652.80
2/25/11	200	\$3.25	\$650.00
2/25/11	200	\$3.21	\$642.00
2/25/11	100	\$3.11	\$311.00
2/28/11 (2)	500	\$3.00	\$1,500.00
2/28/11	100	\$3.02	\$302.00
3/02/11	1,000	\$3.8601	\$3,860.10
3/02/11 (4)	900	\$2.90	\$2,610.00
3/03/11	600	\$4.00	\$2,400.00
3/03/11 (2)	200	\$4.01	\$802.00
3/03/11 (2)	600	\$4.00	\$2,400.00
3/03/11 (2)	400	\$4.001	\$1,600.40
3/08/11	300	\$4.00	\$1,200.00
3/09/11 (2)	200	\$3.90	\$780.00
3/09/11	100	\$3.75	\$375.00
3/14/11	200	\$3.7001	\$740.02
3/14/11	200	\$3.72	\$744.00
3/25/11	400	\$3.12	\$1,248.00
3/25/11	300	\$3.1301	\$2,817.09

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3/25/11 (2)	300	\$3.13	\$939.00
3/25/11 (3)	1,250	\$3.25	\$4,062.50
3/30/11 (5)	1,300	\$3.25	\$4,225.00
3/30/11	200	\$3.13	\$626.00
3/30/11	50	\$3.25	\$162.50

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4/01/11 (3)	900	\$3.25	\$292.50
4/13/11 (10)	4,850	\$3.10	\$15,035.00
4/13/11 (2)	2,000	\$3.05	\$6,100.00
4/19/11 (6)	3,400	\$3.04	\$10,336.00
4/19/11 (4)	2,571	\$3.07	\$7,892.97
4/20/11	429	\$3.07	\$1,317.03
4/20/11	150	\$3.10	\$465.00
4/21/11	500	\$3.12	\$1,560.00
4/29/11 (3)	2,800	\$2.95	\$8,260.00
5/02/11 (5)	2,400	\$2.97	\$7,128.00
5/02/11 (3)	2,600	\$2.98	\$7,748.00
5/02/11	1,700	\$3.00	\$5,100.00
5/09/11	73	\$3.00	\$219.00
5/02/11	1,200	\$2.97	\$3,564.00
5/02/11	1,300	\$2.98	\$3,874.00
5/02/11	1,000	\$3.00	\$3,000.00
5/09/11	647	\$3.00	\$1,941.00
6/13/11 (2)	1,300	\$2.75	\$3,575.00
6/13/11	1,500	\$2.78	\$4,170.00
6/13/11	1,400	\$2.81	\$3,934.00

**TOTALS** 43,520

\* Excludes commissions on sales and is not the net proceeds received by such bank.

(d) No person other than the Reporting Person or members of its Board of Directors is known to have the right to receive or the power to direct receipt of dividends from, or the proceeds of sale of, the Shares of IOT held by the Reporting Person, except Metropolitan Bank as to approximately 169,550 Shares held by Metropolitan Bank pursuant to an accommodation pledge of such Shares.

(e) Not applicable.

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**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

Item 6 of the Amended Statement is hereby further amended by adding the following in replacement of the second paragraph under Item 6.

Of the Shares owned by TCI, 159,816 Shares are held in a brokerage account at Brown & Co., 1,302,648 Shares are held in a brokerage account at First Southwest, 169,550 Shares are located at Metropolitan Bank and the balance of such Shares are held in nonbank financial institutions all of which may be deemed to be collateral for borrowings pursuant to margin or other account arrangements which 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 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 time to determine the amounts, if any, with respect to such Shares and interest costs under such arrangements vary with applicable costs and account balances.

Except as set forth in the preceding paragraph, the Reporting Person does not have any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the Issuer including finders fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, divisions of profits or losses, or the giving or withholding of proxies.

**Item 7. Material to be Filed as Exhibits.**

None.

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**SIGNATURES**

After reasonable inquiry, and to the best of its knowledge and belief, the undersigned certifies that the information set forth on this Amendment No. 26 to Statement on Schedule 13D is true, complete and correct.

Dated: June 20, 2011

TRANSCONTINENTAL REALTY  
INVESTORS,  
INC.

By: /s/ Gene S. Bertcher  
Gene S. Bertcher, Executive Vice  
President and  
Chief Financial Officer