

UNITED STATES
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

Date of Report (Date of the earliest event reported)
August 10, 2020

VALHI, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-5467
(Commission
File Number)

87-0110150
(IRS Employer
Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas
(Address of principal executive offices)

75240-2620
(Zip Code)

Registrant's telephone number, including area code
(972) 233-1700

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	VHI	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01.**Entry into a Material Definitive Agreement.**

A wholly owned subsidiary of Contran Corporation, a Delaware corporation (“Contran”), named Dixie Rice Agricultural L.L.C. (“Dixie Rice”) owns approximately 92% of the registrant’s outstanding common stock at June 30, 2020. Prior to August 10, 2020, Contran also owned all 5,000 of the authorized, issued and outstanding shares of the registrant’s 6% Series A Preferred Stock, par value \$.01 per share (such 5,000 shares, the “6% Series A Preferred Stock”). The 6% Series A Preferred Stock was issued to Contran on March 29, 2007 in exchange for a \$667.3 million income tax receivable owed by the registrant to Contran. The 6% Series A Preferred Stock included the following terms and provisions:

- liquidation preference of \$133,466.75 per share, or an aggregate liquidation preference of \$667.3 million;
- entitled to receive a non-cumulative cash dividend at an annual rate of 6% of the aggregate liquidation preference only when authorized and declared by the registrant’s board of directors;
- non-convertible, with no redemption or call features (either at registrant’s option or the option of the holder);
- no voting rights, except in limited circumstances; and
- not entitled to a preferential dividend right that is senior to the registrant’s shares of common stock.

Effective August 10, 2020, the registrant, Contran, and Dixie Rice entered into a Contribution Agreement (the “Agreement”). Pursuant to the Agreement, on August 10, 2020, the 6% Series A Preferred Stock was voluntarily contributed to the capital of the registrant for no consideration and without issuance of additional securities by the registrant. The registrant’s acceptance of such contribution and entering into the Agreement were approved by the registrant’s independent directors. The registrant believes that the contribution is beneficial to all of its shareholders as it eliminates Contran’s rights under the 6% Series A Preferred Stock, including its right to a liquidation preference and to receive dividends on the preferred shares when and as declared by the registrant’s board. The contribution is not expected to have a tax consequence to the registrant.

A copy of the Agreement is attached as Exhibit 10.1 to this report and is incorporated herein by reference. The foregoing description of the Agreement does not purport to be complete and is qualified in its entirety by reference to the Agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On August 10, 2020, following the contribution of the 6% Series A Preferred Stock to the registrant, the registrant filed a Certificate of Elimination with the Secretary of State of the State of Delaware pursuant to Section 151(g) of the General Corporation Law of the State of Delaware. As a result, all matters in the registrant’s charter documents with respect to the 6% Series A Preferred Stock have been eliminated from the charter documents, and the 5,000 shares that were designated as 6% Series A Preferred Stock have been returned to the status of authorized but unissued shares of the preferred stock, \$0.01 par value per share, of the registrant, without designation as to series. A copy of the Certificate of Elimination is attached as Exhibit 3.1 hereto.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Item No.</u>	<u>Exhibit Index</u>
3.1*	Certificate of Elimination of 6% Series A Preferred Stock of the registrant
10.1*	Contribution Agreement dated August 10, 2020 by and among the registrant, Contran Corporation and Dixie Rice Agricultural L.L.C.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

**CERTIFICATE OF ELIMINATION
OF THE
6% SERIES A PREFERRED STOCK
OF
VALHI, INC.**

**Pursuant to Section 151(g)
of the General Corporation Law of the State of Delaware**

Valhi Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the “Corporation”), does hereby certify as follows:

1. Pursuant to Section 151 of the General Corporation Law of the State of Delaware, the board of directors of the Corporation (the “Board”) authorized the issuance of a series of five thousand (5,000) shares of 6% Series A Preferred Stock, par value \$0.01 per share, of the Corporation (the “6% Series A Preferred Stock”) and established the designations, voting powers, preference rights and qualifications, limitations or restrictions thereof. A Certificate of Designation for the 6% Series A Preferred Stock (the “Original Certificate of Designation”) was filed in the office of the Secretary of State of the State of Delaware on March 26, 2007. The Original Certificate of Designation was amended and restated by an Amended and Restated Certificate of Designation (the “Amended and Restated Certificate of Designation”) filed in the office of the Secretary of State of the State of Delaware on March 29, 2007. In the Third Amended and Restated Certificate of Incorporation of the Corporation filed in the office of the Secretary of State of the State of Delaware on May 27, 2016, the Amended and Restated Certificate of Designation was restated and attached as Annex 1 to the Third Amended and Restated Certificate of Incorporation (the “Attached Certificate of Designation” and, together with the Amended and Restated Certificate of Designation to the extent still in effect, the “Certificate of Designation”).

2. No shares of 6% Series A Preferred Stock are outstanding, and none will be issued subject to the Certificate of Designation.

3. The Board has adopted the following resolutions:

WHEREAS, the Corporation has authorized 500,000 shares of preferred stock, par value \$0.01 per share (“Preferred Stock”), to be issued from time to time by the board of directors of the Corporation (the “Board”) in series upon the designations determined by the Board;

WHEREAS, by resolution of the Board and by a Certificate of Designation (the “Original Certificate of Designation”) filed in the office of the Secretary of State of the State of Delaware on March 26, 2007, the Corporation authorized the issuance of a series of five thousand (5,000) shares of 6% Series A Preferred Stock, par value \$0.01 per share, of the Corporation (the “6% Series A Preferred Stock”) and established the designations, voting powers, preference rights and qualifications, limitations or restrictions thereof.

WHEREAS, the Original Certificate of Designation was amended and restated by an Amended and Restated Certificate of Designation (the “Amended and Restated Certificate of Designation”) filed in the office of the Secretary of State of the State of Delaware on March 29, 2007.

WHEREAS, in the Third Amended and Restated Certificate of Incorporation of the Corporation filed in the office of the Secretary of State of the State of Delaware on May 27, 2016, the Amended and Restated Certificate of Designation was restated and attached as Annex 1 to the Third Amended and Restated Certificate of Incorporation (the “*Attached Certificate of Designation*” and, together with the Amended and Restated Certificate of Designation to the extent still in effect, the “*Certificate of Designation*”).

WHEREAS, all 5,000 shares of the 6% Series A Preferred Stock were issued by the Corporation in 2007, and all such shares have been reacquired by the Corporation.

WHEREAS, the Board deems it in the best interest of the Corporation to retire the 5,000 shares of 6% Series A Preferred Stock and to eliminate from the Corporation’s Third Amended and Restated Certificate of Incorporation, as heretofore amended (the “*Certificate of Incorporation*”), the Certificate of Designation with respect to the 6% Series A Preferred Stock.

WHEREAS, the Board deems it in the best interest of the Corporation that all such 6% Series A Preferred Stock resume the status of authorized but unissued and non-designated shares of Preferred Stock.

NOW, THEREFORE, BE IT HEREBY:

RESOLVED, that the 5,000 shares of 6% Series A Preferred Stock held by the Corporation as treasury shares are hereby retired and cancelled; and it is

FURTHER RESOLVED, that none of the authorized shares of 6% Series A Preferred Stock are outstanding and none will be issued subject to the Certificate of Designation; and it is

FURTHER RESOLVED, that all matters set forth in the Certificate of Designation with respect to 6% Series A Preferred Stock be eliminated from the Certificate of Incorporation; and it is

FURTHER RESOLVED, that the officers of the Corporation be, and hereby are, authorized and directed to file a Certificate with the office of the Secretary of State of the State of Delaware setting forth a copy of these resolutions whereupon all matters set forth in the Certificate of Designation with respect to 6% Series A Preferred Stock shall be eliminated from the Certificate of Incorporation; and it is

FURTHER RESOLVED, that the appropriate officers of the Corporation be, and each hereby is, authorized, empowered and directed to take or cause to be taken all such further actions and to execute and deliver all such instruments and documents in the name and on behalf of the Corporation and under its corporate seal, or otherwise, that shall in their judgment be necessary or advisable to carry out fully the intent and purpose of the foregoing resolutions, and all actions heretofore taken by such officers with respect to such matters be, and hereby are, approved, confirmed and ratified in all respects.

4. All matters set forth in the Certificate of Designation with respect to the 6% Series A Preferred Stock be, and hereby are, eliminated from the Third Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended, of the Corporation. Accordingly, in accordance with Section 151(g) of the General Corporation Law of the State of Delaware, the shares that were designated as 6% Series A Preferred Stock are hereby returned to the status of authorized but unissued shares of the preferred stock, \$0.01 par value per share, of the Corporation, without designation as to series.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Elimination to be signed by its duly authorized officer, this 10th day of August, 2020.

VALHI, INC.

By: /s/ Robert D. Graham
Robert D. Graham
President and Chief Executive Officer

CONTRIBUTION AGREEMENT

This Contribution Agreement (this “Agreement”) is effective as of August 10, 2020 (the “Effective Date”) and is by and among Contran Corporation, a Delaware corporation (“Contran”), Dixie Rice Agricultural L.L.C., a Louisiana limited liability company (“Dixie Rice”), and Valhi, Inc., a Delaware corporation (“Valhi”).

Background

WHEREAS, Dixie Rice is a wholly-owned subsidiary of Contran, and Dixie Rice owns approximately 92% of Valhi’s outstanding common stock.

WHEREAS, Contran owns all 5,000 of the authorized, issued and outstanding shares (the “Shares”) of 6% Series A Preferred Stock, par value \$.01 per share, of Valhi.

WHEREAS, Contran desires to transfer and assign the Shares to Dixie Rice as a capital contribution to Dixie Rice for no consideration by Dixie Rice and without issuance of additional securities by Dixie Rice, and Dixie Rice is willing to accept such capital contribution from Contran.

WHEREAS, immediately following the contribution of the Shares to Dixie Rice, Dixie Rice desires to transfer and assign the Shares to Valhi as a capital contribution to Valhi, for no consideration by Valhi and without issuance of additional securities by Valhi, and Valhi is willing to accept such capital contribution from Dixie Rice.

Agreement

Now, therefore, in consideration of the premises and the mutual promises, representations, warranties and covenants in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agree as follows:

1. **Contribution by Contran.** Contran hereby transfers and assigns to Dixie Rice, as a capital contribution, for no additional consideration, the Shares, and Dixie Rice accepts such contribution.

2. **Contribution by Dixie Rice.** Immediately following the actions in Section 1 above, Dixie Rice hereby transfers and assigns to Valhi, as a capital contribution, for no additional consideration, the Shares, and Valhi accepts such contribution.

3. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, excluding any conflicts-of-law rule or principle that may refer the same to another jurisdiction. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Neither this Agreement nor any term hereof may be waived, changed, discharged or terminated other than by an agreement in writing signed by the parties hereto. This Agreement shall not create or confer any rights in or to any persons or entities other than the parties hereto or their successors or permitted assigns. This Agreement may not be assigned without the written consent of the other party hereto. The parties have executed this Agreement, through their respective duly authorized officers or agents, as of the date first written above.

The parties have executed this Agreement, through their respective duly authorized officers or agents, as of the date first written above.

CONTRAN CORPORATION

By: s/ Kelly D. Luttmer
Kelly D. Luttmer
Executive Vice President

DIXIE RICE AGRICULTURAL, L.L.C.

By: s/ Bryan A. Hanley
Bryan A. Hanley
Vice President

VALHI, INC.

By: s/ James W. Brown
James W. Brown
Executive Vice President