

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 earliest event reported): November 14, 2016

VALHI, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation
or organization)

1-5467
(Commission file number)

87-0110150
(I.R.S. employer identification number)

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

75240-2697
(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. below):

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

As previously reported, on November 18, 2015, Andrews County Holdings, Inc. ("ACH"), a subsidiary of the registrant, entered into a Purchase Agreement (as previously amended and as previously reported, the "Purchase Agreement") with Rockwell Holdco, Inc. ("Rockwell"), for the sale of Waste Control Specialists LLC ("WCS"), a subsidiary of ACH, to Rockwell. Rockwell is the parent company of Energy Solutions, Inc., and Rockwell is owned by Energy Capital Partners, a private equity firm focused on investing in North America's energy infrastructure. In anticipation of the Antitrust Action (as hereinafter defined) described in Item 8.01 below, effective November 14, 2016, ACH and Rockwell entered into a Fourth Amendment to the Purchase Agreement (the "Fourth Amendment"). Terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement, as amended through the Fourth Amendment. Pursuant to the Fourth Amendment, among other things:

- the deadline for the closing of the transactions contemplated by the Purchase Agreement has been extended to July 31, 2017;
 - Rockwell has agreed to affirmatively contest and resist any Action initiated by the Federal Trade Commission or the Antitrust Division of the Department of Justice on behalf of the United States (the "DOJ") challenging under Antitrust Laws the transactions contemplated by the Purchase Agreement ("Antitrust Action");
 - if judgment in any Antitrust Action is entered in favor of the United States by a federal district court, or by a federal court of appeals in the event the federal district court rules against issuance of the United States' requested preliminary injunction, then (i) either Party shall be entitled to immediately terminate the Purchase Agreement under specified terms and conditions, and (ii) the registrant agreed to reimburse Rockwell for 50% of third-party fees and expenses incurred by Rockwell from and after November 14, 2016 relating to the defense of any Antitrust Action which may be initiated (including any appeal), subject to a specified maximum reimbursement of \$6.0 million plus 50% of such fees and expenses associated with any such appeal in excess of such \$6.0 million cap;
 - in the event an Antitrust Action is not initiated, or in the event an Antitrust Action is initiated but is subsequently settled, dismissed or otherwise resolved in accordance with the terms of the Purchase Agreement and in a manner that permits the transactions contemplated by the Purchase Agreement to proceed to a Closing, the parties shall continue to honor their obligations under the Purchase Agreement in order to effect a Closing as promptly as practical after notification by the government that no such Antitrust Action will be initiated (or as promptly as practical after any such settlement, dismissal or resolution);
 - in the event any Antitrust Action is initiated, then the Aggregate Consideration shall consist solely of the Base Cash Purchase Price and the Series A Shares shall not be included as part of the Aggregate Consideration;
 - the Parties agreed to execute a general mutual release containing specified terms and conditions, ACH waived, and agreed it would not assert, raise or make, any claim under the Purchase Agreement or otherwise based upon Rockwell's defense of any Antitrust Action, and the Parties waived, and agreed they would not assert, raise or make, any claim previously asserted, or which could have been asserted, in the Lawsuit or the Arbitration described in the Venue Agreement; and
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- Rockwell agreed to deposit \$10 million cash within 5 Business Days after November 14, 2016 in an escrow account (the "Escrow Account") with an escrow agent reasonably acceptable to the parties. In the event a Closing occurs under the Purchase Agreement, the Escrow Amount will be released to Rockwell. In the event of a permitted termination of the Purchase Agreement (including pursuant to the terms of the Fourth Amendment), the Escrow Amount shall be released to WCS (and receipt of such Escrow Amount following such permitted termination of the Purchase Agreement would replace, and Rockwell would not be obligated to pay to ACH, the \$35 million Termination Fee provided for in the Purchase Agreement), the Parties will execute a general mutual release containing specified terms and conditions, and ACH and its Affiliates agreed not to make any Claim for, any matter under, related to or arising out of, the Purchase Agreement and related agreements or the transactions contemplated thereby. Rockwell continues to be obligated to pay to ACH the \$35 million Termination Fee provided for in the Purchase Agreement only in the event that all conditions to Close under the Purchase Agreement have been satisfied (including receipt of U.S. anti-trust approval), but such Closing does not occur due to a breach by Rockwell of its obligations under the Purchase Agreement.

All other terms and conditions of the Purchase Agreement remain unchanged. A copy of the Fourth Amendment is attached as Exhibit 2.1 to this report and is incorporated herein by reference. The foregoing description of the Fourth Amendment does not purport to be complete and is qualified in its entirety by reference to the Fourth Amendment.

Item 8.01. Other Events.

On November 16, 2016, the DOJ filed an Antitrust Action in the U.S. federal district court for the District of Delaware styled United States of America vs. Energy Solutions, Inc., et al (Case No. 1:16-cv-01056-UNA) seeking an injunction to enjoin completion of the transactions contemplated by the Purchase Agreement. Pursuant to the Fourth Amendment, Rockwell and its affiliates are required, with the cooperation and assistance of ACH and its affiliates, to vigorously contest and resist such Antitrust Action. There can be no assurance that the Parties will be successful in contesting and resisting such Antitrust Action, that receipt of U.S. anti-trust approval will be obtained or that any sale of WCS will be completed.

Forward-Looking Statements

The statements in this Current Report relating to matters that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Although the registrant believes the expectations reflected in such forward-looking statements are reasonable, it cannot give any assurances that these expectations will be correct. Such statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those predicted. While it is not possible to identify all factors, the registrant continues to face many risks and uncertainties. Among the factors that could cause our actual future results to differ materially include, but are not limited to, the following:

- Future supply and demand for our products;
 - The extent of the dependence of certain of our businesses on certain market sectors;
 - The cyclical nature of certain of our businesses (such as Kronos' titanium dioxide pigment ("TiO₂") operations);
 - Customer and producer inventory levels;
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- Unexpected or earlier-than-expected industry capacity expansion (such as the TiO₂ industry);
 - Changes in raw material and other operating costs (such as energy, ore, zinc, brass and steel costs) and our ability to pass those costs on to our customers or offset them with reductions in other operating costs;
 - Changes in the availability of raw materials (such as ore);
 - General global economic and political conditions (such as changes in the level of gross domestic product in various regions of the world and the impact of such changes on demand for, among other things, TiO₂ and component products);
 - Competitive products and prices and substitute products, including increased competition from low-cost manufacturing sources (such as China);
 - Possible disruption of our business or increases in the cost of doing business resulting from terrorist activities or global conflicts;
 - Customer and competitor strategies;
 - Potential difficulties in integrating future acquisitions;
 - Potential difficulties in upgrading or implementing new manufacturing and accounting software systems;
 - Potential consolidation of our competitors;
 - Potential consolidation of our customers;
 - The impact of pricing and production decisions;
 - Competitive technology positions;
 - The introduction of trade barriers;
 - The ability of our subsidiaries to pay us dividends;
 - The impact of current or future government regulations (including employee healthcare benefit related regulations);
 - Uncertainties associated with new product development and the development of new product features;
 - Fluctuations in currency exchange rates (such as changes in the exchange rate between the U.S. dollar and each of the euro, the Norwegian krone, and the Canadian dollar) or possible disruptions to our business resulting from potential instability resulting from uncertainties associated with the euro;
 - Operating interruptions (including, but not limited to, labor disputes, leaks, natural disasters, fires, explosions, unscheduled or unplanned downtime and transportation interruptions);
 - Decisions to sell assets other than in the ordinary course of business;
 - The timing and amounts of insurance recoveries;
 - Our ability to renew, amend, refinance or establish credit facilities;
 - Our ability to maintain sufficient liquidity;
 - The ultimate outcome of income tax audits, tax settlement initiatives or other tax matters;
 - Our ultimate ability to utilize income tax attributes or changes in income tax rates related to such attributes, the benefits of which may not presently have been recognized under the more-likely-than-not recognition criteria (such as Kronos' ability to utilize its German and Belgium net operating loss carryforwards);
 - Environmental matters (such as those requiring compliance with emission and discharge standards for existing and new facilities, or new developments regarding environmental remediation at sites related to our former operations);
 - Government laws and regulations and possible changes therein (such as changes in government regulations which might impose various obligations on former manufacturers of lead pigment and lead-based paint, including NL, with respect to asserted health concerns associated with the use of such products);
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- The ultimate resolution of pending litigation (such as NL's lead pigment litigation, environmental and other litigation and Kronos' class action litigation);
- Our ability to comply with covenants contained in our revolving bank credit facilities;
- Our ability to complete and comply with the conditions of our licenses and permits;
- Our ability to successfully defend against currently-pending or possible future challenge to WCS' operating licenses and permits;
- Unexpected delays in the operational start-up of shipping containers procured by WCS;
- Changes in real estate values and construction costs in Henderson, Nevada;
- Water levels in Lake Mead; and
- Possible future litigation.

Should one or more of these risks materialize (or the consequences of such development worsen), or should the underlying assumptions prove incorrect, actual results could differ materially from those currently forecasted or expected. The registrant disclaims any intention or obligation to update or revise any forward-looking statement whether as a result of changes in information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u> |
|---------------------------|--|
| 2.1* | Fourth amendment to Purchase Agreement by and between Rockwell Holdco, Inc., as Purchaser, and Andrews County Holdings, Inc., as Seller, dated as of November 14, 2016 |

* Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

SIGNATURES

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 hereunto duly authorized.

VALHI, INC.

Date: November 16, 2016

By: /s/Gregory M. Swalwell
Gregory M. Swalwell
Executive Vice President, Chief Financial Officer
and Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit
Number
2.1*

Description
Fourth amendment to Purchase Agreement by and between Rockwell Holdco, Inc., as Purchaser, and Andrews County Holdings, Inc., as Seller, dated as of November 14, 2016

* Pursuant to Item 601(b)(2) of Regulation S-K, the registrant agrees to furnish supplementally a copy of any omitted exhibit or schedule to the SEC upon request.

Fourth Amendment to Purchase Agreement

This Fourth Amendment to Purchase Agreement (the "Agreement") is entered into as of November 14, 2016, by and among Rockwell Holdco, Inc., a Delaware corporation ("Purchaser"), Andrews County Holdings, Inc., a Delaware corporation ("Seller"), Valhi, Inc., a Delaware corporation ("Valhi"), and Energy Capital Partners II-A, LP, a Delaware limited partnership ("ECP"), in order to amend certain provisions of the Purchase Agreement, dated November 18, 2015, as amended to date, by and between Purchaser and Seller (the "Purchase Agreement"), and to enter into certain other agreements. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

- 1) The parties agree to amend and extend the "Termination Date" (as defined in Section 12.01(b)(i) of the Purchase Agreement) to July 31, 2017.
 - 2) Notwithstanding anything to the contrary contained in the Purchase Agreement, in the event that any Action is initiated by the Federal Trade Commission or the Antitrust Division of the Department of Justice on behalf of the United States challenging under Antitrust Laws the transactions contemplated by the Purchase Agreement (an "Antitrust Action"), then the following terms shall apply:
 - a. Purchaser, with the assistance and cooperation of each of the Parties (as defined in the Purchase Agreement), shall affirmatively contest and resist (including, without limitation, by defending on the merits against the claims asserted by the United States) any such Antitrust Action through entry of judgment by the federal district court and the defense against any appeal to the federal circuit court of appeals that may be asserted by the United States in the event that the federal district court rules against the issuance of the United States' requested preliminary injunction. Purchaser shall control and direct the defense of any Antitrust Action; provided, however, that Seller shall be entitled to participate, at Seller's sole expense, in the conduct thereof. Seller shall timely make available to Purchaser all witnesses and materials reasonably requested by Purchaser in the conduct of such Antitrust Action. The Parties shall keep each other apprised of the status of the Antitrust Action (including, without limitation, providing copies of all litigation papers, discovery, filings, notices and the like), and shall provide to the other Party in advance any pleadings, analyses, appearances, presentations, motions, memoranda, briefs, arguments, opinions and proposals they or their agents make or submit in connection with such Antitrust Action; and
 - b. No Party other than Purchaser shall make any offer, acceptance or counter-offer to any Governmental Authority with respect to any proposed settlement, consent decree, commitment or remedy, or, in the event of litigation, discovery, admissibility of evidence, venue, timing or scheduling unless specifically agreed in writing by Purchaser. For the avoidance of doubt, Purchaser shall not be required to proffer and consent to an Order providing for the sale or other disposition, or the holding separate, of assets, businesses or interests of the Company or of Purchaser or any of its subsidiaries in order to remedy any concerns that any Governmental Authority may have, or proffer and consent to any other restriction, prohibition or limitation on any assets, businesses or interests of the Company or of Purchaser or any of Purchaser's subsidiaries in order to remedy any such concerns.
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- 3) If judgment in any Antitrust Action is entered by (x) the federal district court in favor of the United States or (y) the federal circuit court of appeals in favor of the United States in any appeal that may be asserted by the United States in the event that the federal district court rules against the issuance of the United States' requested preliminary injunction, then: (i) either Party shall be entitled to immediately terminate the Purchase Agreement, and the parties will thereafter comply with paragraph 8 below, and (ii) Valhi will reimburse Purchaser for 50% of the third-party fees, expenses and costs incurred by Purchaser and its Affiliates from and after the date of this Agreement, including the fees and expenses of counsel to Purchaser and its Affiliates and any expert witnesses, consultants or vendors retained by Purchaser and its Affiliates, relating to the defense of the Antitrust Action (including any such appeal), up to a maximum reimbursement amount equal to the aggregate of (A) \$6.0 million plus (B) in the event of and in connection with any such appeal (and only in the event that all such fees and expenses incurred from and after the date of this Agreement and prior to such appeal exceed \$12 million), 50% of the third-party fees, expenses and costs of Purchaser and its Affiliates, including the fees and expenses of counsel to Purchaser and its Affiliates and any expert witnesses, consultants or vendors retained by Purchaser and its Affiliates. Such payment will be made within 30 days following Valhi's receipt of original documentation of and invoices for such fees, expenses and costs from Purchaser at the conclusion of the Antitrust Action.
- 4) Notwithstanding anything to the contrary contained in this Agreement, the Parties shall continue to honor their respective obligations under the Purchase Agreement and the Ancillary Agreements, in each case to the extent not relating to obtaining Antitrust Approvals, through the Termination Date (including Article 12 of the Purchase Agreement, which shall continue in full force and effect under such circumstances with respect to such obligations not relating to obtaining Antitrust Approvals) in order to effect the Closing as promptly as practicable after the later of (x) notification by the government that no Antitrust Action will be initiated or the date of any such settlement, dismissal or other resolution of any Antitrust Action, in each case that permits the transactions contemplated by the Purchase Agreement to proceed to a Closing and (y) if Purchaser agrees to any proposed settlement, consent decree, commitment or remedy with respect to obtaining the Antitrust Approvals, the date of consummation of such proposed settlement, consent decree, commitment or remedy.
- 5) Notwithstanding anything to the contrary contained in this Agreement, in the event that the Federal Trade Commission or the Antitrust Division of the Department of Justice on behalf of the United States does not initiate an Antitrust Action, then the remaining provisions of this paragraph 5 shall not apply and be of no further force and effect. However, in the event that the Federal Trade Commission or the Antitrust Division of the Department of Justice on behalf of the United States does initiate an Antitrust Action, then the parties agree that the Aggregate Consideration shall consist solely of the Base Cash Purchase Price and that the Series A Shares shall not be included as part of the Aggregate Consideration. As such, Section 2.01(b) of the Purchase Agreement shall be amended and restated in its entirety to read as follows: "In consideration for the sale, transfer and conveyance described in Section 2.01(a), at the Closing, Purchaser shall pay to Seller an amount equal to the Aggregate Consideration in cash, by wire transfer of immediately available funds, to such account(s) as Seller may direct by written notice delivered to Purchaser at least two (2) Business Days before the Closing Date." In addition, all references to Series A Shares, the Amended Stockholders Agreement and the Amended Certificate of Incorporation shall be removed from the Purchase Agreement, and the following sections shall be deleted in their entirety from the Purchase Agreement: Section 3.06, Section 3.07, Sections 5.08 through 5.11, Section 6.02(d) and (e), Section 7.07 and Section 8.06.

- 6) Seller and Valhi shall cause the Company, and Purchaser and ECP shall cause EnergySolutions, Inc. ("EnergySolutions"), to enter into the commercial agreements described in Exhibit "A" attached hereto.
- 7) In exchange for the mutual covenants and promises and other consideration set forth herein: (i) the parties will execute a general mutual release on the terms set forth in Exhibit "C" attached hereto (the "Release"); (ii) Purchaser will deposit within five (5) Business Days after the date hereof \$10 million (the "Escrow Amount") in cash into an escrow account (the "Escrow Account") containing customary terms reasonably acceptable to the parties with an escrow agent reasonably acceptable to the parties (the "Escrow Agent"), which Escrow Amount shall be disbursed only in accordance with paragraphs 8 and 9 below; (iii) Seller waives, and covenants that it will not assert, raise or make, any claim hereunder or under the Purchase Agreement or otherwise based upon Purchaser's defense of the Antitrust Action; and (iv) the parties waive, and covenant that they will not assert, raise or make, any claim previously asserted, or which could have been asserted, in the Lawsuit or the Arbitration described in the Venue Agreement.
- 8) Notwithstanding anything to the contrary contained in Article 12 of the Purchase Agreement, in the event of a termination in accordance with the Purchase Agreement (including pursuant to paragraph 3 hereto), the Parties agree that the following provisions shall constitute the sole and exclusive rights and remedies of the parties, and that no party shall have any Liability to the other parties following any such termination of the Purchase Agreement except as follows:
- a. the parties shall execute a release of claims in substantially similar form as the Release (but covering the period from and after the date hereof through the termination of the Purchase Agreement), and thereafter the parties shall deliver written notice to the Escrow Agent to release the Escrow Amount (plus any interest thereon) from the Escrow Account to the Company; and
- b. except for any breaches of the commercial agreements referenced in paragraph 6, the payment of the Escrow Amount to the Company shall be the sole and exclusive remedy of Seller and its Affiliates against any member of the Purchaser Group for, and no member of the Purchaser Group shall have, any liability or obligation for, and Seller and its Affiliates shall not otherwise make any Claim for, any matter under, relating to or arising out of, this Agreement, the Purchase Agreement, the Ancillary Agreements, the Equity Commitment Letter or any other Contract, document or agreement delivered pursuant to the Purchase Agreement, or the transactions contemplated thereby, whether based on contract, tort, strict liability, other Applicable Laws or otherwise, or any Claim, based on, in respect of, or by reason of any of the foregoing. For avoidance of doubt, in the event of a termination of the Purchase Agreement, Seller and its Affiliates shall not have and shall not pursue any claim for any other remedy, whether at law or in equity, other than liquidated damages as provided for in this paragraph 8. The Parties acknowledge that the agreements contained in this paragraph 8 are an integral part of the transactions contemplated by this Agreement and the Purchase Agreement and constitute liquidated damages and not a penalty, and that the parties would not have entered into this Agreement without the agreements in this paragraph 8.

- 9) The parties agree that, at the Closing, they will deliver written notice to the Escrow Agent to release the Escrow Amount (plus any interest thereon) from the Escrow Account to Purchaser.
- 10) All disputes or claims arising out of, relating to or connected with this Agreement shall be finally resolved by binding and confidential arbitration in New York, New York, before a former federal judge agreed between the parties. If the parties are unable to agree on a single arbitrator, then the arbitration shall be conducted before a panel of three arbitrators, with each side selecting one arbitrator and those two arbitrators selecting the third, with each such arbitrator being a former federal judge. The losing party shall be responsible for the costs of arbitration of the prevailing party, including reasonable attorneys' fees. The existence and content of the arbitral proceedings and any rulings or award shall be kept confidential, except (i) to the extent that disclosure may be required of a party to fulfill a legal duty or enforce or challenge an award in bona fide legal proceedings before a state court or other judicial authority, or (ii) with the written consent of all parties.
- 11) Except as expressly provided in this Agreement, all of the terms and provisions of the Purchase Agreement are and will remain in full force and effect, and are hereby ratified and confirmed by the Parties. Without limiting the generality of the foregoing, the amendments contained herein will not be construed as an amendment to or waiver of any other provision of the Purchase Agreement or as a waiver of or consent to any further or future action on the part of any Party that would require the waiver or consent of any other Party. This Agreement shall be governed by, and construed in accordance with, the applicable laws of the State of Delaware applicable to contracts made and to be performed in that state without giving effect to choice of law rules that would require the application of the law of another jurisdiction. This Agreement may be executed in counterparts, all of which taken together shall constitute one and the same instrument. If any signature is delivered by facsimile transmission or by PDF, such signature shall create a valid and binding obligation of the party executing (or on whose behalf the signature is executed) with the same force and effect as if such facsimile or PDF signature were an original thereof.

[Signature page follows]

Terms agreed to and executed by the duly authorized officer of each party as of the date first written above.

VALHI, INC.

By: /s/ Andrew B. Nace
Name: Andrew B. Nace
Title: Senior Vice President

ANDREWS COUNTY HOLDINGS, INC.

By: /s/ Andrew B. Nace
Name: Andrew B. Nace
Title: Senior Vice President

ROCKWELL HOLDCO, INC.

By: /s/ Russ Workman
Name: Russ Workman
Title: Corporate Secretary and GC

ENERGY CAPITAL PARTNERS II-A, LP

By: Energy Capital Partners GP II, LP, its general partner

By: Energy Capital Partners II, LLC, its general partner

By: /s/ Christopher M. Leininger
Name: Christopher M. Leininger
Title: Managing Director