

GREENBRIAR CORP
Form SC 13D/A
December 23, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 7)***

Greenbriar Corporation

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

393648-40-7

(Cusip Number)

Ken L. Joines
1800 Valley View Lane, Suite 300
Dallas, Texas 75234
214-750-5800
214-361-0964 (Facsimile)

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

December 14, 2004

(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 that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person'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).

CUSIP No. 393648-40-7

1. Name of Reporting Person: Basic Capital Management, Inc. I.R.S. Identification Nos. of above persons (entities only): FEI 75-2332719

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

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions): WC/OO

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

6. Citizenship or Place of Organization: Nevada

Number of Shares Beneficially Owned by Each Reporting Person With

7. Sole Voting Power: -0-

8. Shared Voting Power: -0-

9. Sole Dispositive Power: -0-

10. Shared Dispositive Power: -0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person: -0-

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

13. Percent of Class Represented by Amount in Row (11): -0-%

14. Type of Reporting Person (See Instructions): CO

CUSIP No. 393648-40-7

1. Name of Reporting Person: TacCo Financial, Inc. I.R.S. Identification Nos. of above persons (entities only): FEI 75-2442090

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

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions): AF/OO

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

6. Citizenship or Place of Organization: Nevada

Number of Shares Beneficially Owned by Each Reporting Person With

7. Sole Voting Power: 228,726

8. Shared Voting Power: -0-

9. Sole Dispositive Power: 228,726

10. Shared Dispositive Power: -0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person: 385,612

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

13. Percent of Class Represented by Amount in Row (11): 39.47%

14. Type of Reporting Person (See Instructions): CO

CUSIP No. 393648-40-7

1. Name of Reporting Person: JRG Investment Co. I.R.S. Identification Nos. of above persons (entities only): FEI 75-2383811

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

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions): AF/OO

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

6. Citizenship or Place of Organization: Nevada

Number of Shares Beneficially Owned by Each Reporting Person

7. Sole Voting Power: 156,886

8. Shared Voting Power: -0-
With

9. Sole Dispositive Power: 156,886

10. Shared Dispositive Power: -0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person: 156,886

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

13. Percent of Class Represented by Amount in Row (11): 16.06%

14. Type of Reporting Person (See Instructions): CO

CUSIP No. 393648-40-7

1. Name of Reporting Person: Gene E. Phillips I.R.S. Identification Nos. of above persons (entities only):

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

(a)

(b)

3. SEC Use Only:

4. Source of Funds (See Instructions): WC/OO

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

6. Citizenship or Place of Organization: U.S.

Number of Shares Beneficially Owned by Each Reporting Person

7. Sole Voting Power: -0-

With

8. Shared Voting Power: -0-

9. Sole Dispositive Power: -0-

10. Shared Dispositive Power: -0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person: -0-

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

13. Percent of Class Represented by Amount in Row (11): 0.0%

14. Type of Reporting Person (See Instructions): CO

CUSIP No. 393648-40-7

1. Name of Reporting Person: International Health Products, Inc. I.R.S. Identification Nos. of above persons (entities only): FEI 75-2302531

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

3. SEC Use Only:

4. Source of Funds (See Instructions): AF/OO

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

6. Citizenship or Place of Organization: Nevada

Number of Shares Beneficially Owned by Each Reporting Person With

7. Sole Voting Power: 9,970

8. Shared Voting Power: -0-

9. Sole Dispositive Power: 9,970

10. Shared Dispositive Power: -0-

11. Aggregate Amount Beneficially Owned by Each Reporting Person: 9,970

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

13. Percent of Class Represented by Amount in Row (11): 1.0%

14. Type of Reporting Person (See Instructions): CO

Item 1. Security and Issuer

This Amendment No. 7 to Statement on Schedule 13D (this Amendment No. 7) relates to shares of Common Stock, par value \$0.01 per share (the Shares) of Greenbriar Corporation, a Nevada corporation (the Company or the Issuer or GBR), and amends the original Statement on Schedule 13D as amended by Amendment Nos. 1 through 6 to Statement on Schedule 13D (collectively the Amended Statement) filed by the Reporting Persons described below. The principal executive offices of the Issuer are located at 1755 Wittington Place, Suite 340, Dallas, Texas 75234. The Shares are currently listed and traded on the American Stock Exchange, Inc. The CUSIP number of the Shares is 393648-40-7.

This Amendment No. 7 is being filed due to the acquisition by one of the Reporting Persons of 200,130 Shares on December 14, 2004.

Item 2. Identity and Background

Item 2 of the Amended Statement is further amended by restating the first portion of such item as follows:

(a)-(c) and (f). This Amendment No. 7 is being filed on behalf of Basic Capital Management, Inc., a Nevada corporation (BCM), International Health Products, Inc., a Nevada corporation (IHPI), TacCo Financial, Inc. (formerly Institutional Capital Corporation), a Nevada corporation (TFI), JRG Investment Co., Inc., a Nevada corporation (JRGIC), which became a wholly-owned subsidiary of TFI effective for tax and accounting purposes at July 31, 2004 [see Item 6 below], and Gene E. Phillips, an individual. All of BCM, IHPI, TFI, JRGIC and Gene E. Phillips are collectively referred to as the Reporting Persons. The Reporting Persons may be deemed to constitute a Person within the meaning of Section 13d of the Securities Exchange Act of 1934, as amended. BCM is beneficially owned by a trust established for the benefit of the children of Gene E. Phillips (the May Trust) who, although he is not an officer or director of BCM, continues to have substantial contact with the management of BCM and has a significant influence on matters as a representative of the May Trust. IHPI is owned by a separate trust established for the benefit of the wife and children of Gene E. Phillips (the Martin Trust). IHPI is managed by Ken L. Joines who also manages other private entities owned by Mr. Phillips or his family trusts. Mr. Joines consults on a regular basis with Mr. Phillips regarding investments in marketable securities by IHPI. IHPI generally makes such investments with funds borrowed from BCM. TFI is managed by the same personnel who manage IHPI and other private companies owned by Gene E. Phillips or his family trusts. These personnel consult on a regular basis with Mr. Phillips regarding investments in marketable securities owned by TFI. TFI has generally made such investments with funds borrowed from BCM. Each of TFI and JRG has its principal executive offices located at 555 Republic Drive, Suite 490, Plano, Texas 75074. IHPI has its principal office at 1755 Wittington Place, Dallas, Texas 75234.

Item 3. Source and Amount of Funds or Other Consideration

In connection with the acquisition by TFI of 200,130 Shares and the Warrant and Stock Option Agreement described in Items 5 and 6 below, TFI gave aggregate credits (acknowledged partial payment) of \$784,374.50 to certain obligors under certain indebtedness owed to TFI. No other funds were required of TFI.

Item 5. Interest in Securities of the Issuer

(a) According to the latest information available as of September 30, 2004, the total number of issued and outstanding Shares is believed to be 977,093 Shares, and the Reporting Persons own and hold directly the following Shares as of December 14, 2004:

Name	No. of Shares	Approximate
	Owned Directly	Percent of Class
BCM	-0-	0.00%
IHPI	9,970	1.00%
TFI	228,726	23.41%
JRGIC	156,886	16.06%
Gene E. Phillips	-0-	0.00%
	395,582	40.49%

Pursuant to Rule 13d-3 under the Exchange Act, each of the directors of IHPI may be deemed to beneficially own the Shares held directly by IHPI; each of the directors of TFI (and JRGIC) may be deemed to beneficially own the Shares held directly by TFI and JRGIC. Those individuals and the number of Shares deemed beneficially owned pursuant to Rule 13d-3 and the approximate percent of class, as well as the relationship, are set forth in the following table as of December 14, 2004:

Name of Director or	Entity	No. of Shares Beneficially Owned	Approximate Percent of Class
Manager			
Ryan T. Phillips	BCM	-0-	0.00%
Mickey Ned Phillips	BCM	-0-	0.00%
Ken L. Joines	IHPI	9,970	1.00%
J.T. Tackett	TFI and JRGIC	385,612	39.47%
E. Wayne Starr	TFI and JRGIC	385,612	39.47%
		395,452	40.49%

Total Shares beneficially owned by Reporting Persons and individuals listed above:

(b) Each of the directors of IHPI share voting and dispositive power over the 9,970 Shares held directly by IHPI. Each of the directors of TFI share voting and dispositive power over the 228,726 Shares held directly by TFI. Each of the directors of JRGIC share voting and dispositive power over the 156,886 Shares held by JRGIC.

(c) During the sixty calendar days ended December 14, 2004, except for the transactions described below, the Reporting Persons and their executive officers and directors did not engage in any transaction in the Shares or any other equity interest derivative thereof.

On December 14, 2004, TFI acquired from Gainesville Real Estate LLC, a Texas limited liability company (Gainesville), 200,130 Shares for a credit upon certain obligations of one or more debtors, including Warwick Summit Square, Inc. (Warwick) in the amount of \$730,474.50. See also Item 6 below for information involving this transaction and TFI s acquisition of a Warrant (not presently exercisable) from Richard D. Morgan covering 170,000 Shares for a credit of \$11,900, and a Stock Option covering 40,000 Shares of GBR for a credit of \$42,000.

(d) No person other than the Reporting Persons or members of their respective Boards 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 GBR held by any of the Reporting Persons.

(e) Not applicable.

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 at the end of current Item 6 in place of the last paragraph thereof.

On December 14, 2004, TFI received by assignment and transfer 200,130 Shares of GBR from Gainesville by crediting certain indebtedness of Warwick and other Richard D. Morgan affiliates to TFI in the amount of \$730,474.50 (\$3.65 per Share). TFI also received an assignment from Richard D. Morgan of a Warrant to purchase 170,000 Shares at an exercise price of \$3.58 per Share (the Warrant) and credited certain indebtedness pursuant to which Richard D. Morgan was obligated for the amount of \$11,900. The Warrant is not presently exercisable and will not become exercisable until or unless stockholder approval of a specified transaction occurs prior to October 1, 2005, and a possible rescission does not occur by that date; in either of those events, the Warrant will become null and void by its terms. If the specified transaction is approved by the stockholders of GBR, and if no rescission of such transaction occurs, the Warrant will then be exercisable until October 31, 2009, and covers 170,000 Shares subject to certain adjustment in the event of a reorganization of GBR. The transfer of the Warrant to TFI was consented to by GBR. TFI also received an assignment and transfer from Richard D. Morgan of a Stock Option Agreement covering 40,000 Shares dated December 16, 2003, and rights, benefits and privileges of Richard D. Morgan arising thereunder. In consideration of the assignment of such Stock Option Agreement (which was consented to by GBR), TFI gave a credit of \$42,000 to Richard D. Morgan pursuant to certain indebtedness owed to TFI. The Exercise Price under the Stock Option Agreement is \$2.60 per Share, and it is impracticable at this point in time to suggest that such Options should be exercised; the Options are exercisable until December 15, 2008.

Except as set forth above, the Reporting Persons do not have any contracts, arrangements, understandings or relationships, legal or otherwise, with any person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities, 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.

SIGNATURES

After reasonable inquiry and to the best of the respective knowledge or belief, the undersigned certify that the information set forth in this Amendment No. 7 to Schedule 13D is true, complete and correct.

Dated: December 21, 2004.

BASIC CAPITAL MANAGEMENT, INC.

By: /s/ Scott Lewis
Scott Lewis, Executive Vice President and
Chief Financial Officer

TACCO FINANCIAL, INC.

By: /s/ Mary K. Willett
Mary K. Willett, Vice President and Secretary

INTERNATIONAL HEALTH PRODUCTS, INC.

By: /s/ Ken L. Joines
Ken L. Joines, President and Treasurer

JRG INVESTMENT CO., INC.

By: /s/ Mary K. Willett
Mary K. Willett, Vice President and Secretary

/s/ Gene E. Phillips
Gene E. Phillips