

SECURITIES AND EXCHANGE COMMISSION

FORM S-8

Initial registration statement for securities to be offered to employees pursuant to employee benefit plans

Filing Date: **1994-05-13**
SEC Accession No. **0000059255-94-000009**

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FILER

VALHI INC /DE/

CIK: **59255** | IRS No.: **870110150** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **S-8** | Act: **33** | File No.: **033-53633** | Film No.: **94528300**
SIC: **2060** Sugar & confectionery products

Business Address
*THREE LINCOLN CENTRE
5430 LBJ FRWY STE 1700
DALLAS TX 75240
2142331700*

As filed with the Securities and Exchange Commission on May 13, 1994

Registration No. 33-_____

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

VALHI, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	87-0110150 (I.R.S. Employer Identification Number)
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Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240
(Address of Principal Executive Offices) (Zip Code)

VALHI, INC. 1987 STOCK OPTION - STOCK APPRECIATION RIGHTS PLAN
(Full title of the plan)

Steven L. Watson
Vice President & Secretary
Valhi, Inc.
Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, Texas 75240
(Name and address of agent for service)

(214) 233-1700
(Telephone number, including area code, of agent for service)

Calculation of Registration Fee

<TABLE>
<CAPTION>

<S> Title of Securities to be registered	<C> Amount to be registered	<C> Proposed maximum price per share (1)	<C> Proposed maximum aggregate offering price (1)	<C> Amount of registration fee (2)
Common Stock, par value \$.01 per share	3,000,000	\$5.5625	\$16,687,500	\$5,754.31

</TABLE>

[FN]
(1) Calculated pursuant to Rule 457(h), based on an assumed exercise price of \$5.5625 per share, which represents the average of the high and low prices of such securities reported in the consolidated reporting system on May 12, 1994.

[FN]
(2) Registration fee calculated on the basis of 1/29 of 1% of the proposed maximum offering price.

PART I

AND

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Pursuant to General Instruction E of Form S-8, the information called for by Parts I and II of this Registration Statement on Form S-8 are herein incorporated by reference to Valhi's Registration Statement on Form S-8 (File No. 33-48146).

SIGNATURES

THE REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Dallas, State of Texas, on the 12 day of May, 1994.

VALHI, INC.

By: /s/ Steven L. Watson
Steven L. Watson
Vice President and Secretary

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Michael A. Snetzer, William C. Timm, J. Thomas Montgomery, Jr. and Steven L. Watson, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-8 has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURES

/s/ Arthur H. Bilger

Arthur H. Bilger, May 12, 1994
(Director)

/s/ Harold C. Simmons

Harold C. Simmons, May 12, 1994
(Chairman of the Board and Chief
Executive Officer)

/s/ Norman S. Edelcup

Norman S. Edelcup, May 12, 1994
(Director)

/s/ Glenn R. Simmons

Glenn R. Simmons, May 12, 1994
(Vice Chairman of the Board)

/s/ Robert J. Frame

Robert J. Frame, May 12, 1994
(Director)

/s/ Michael A. Snetzer

Michael A. Snetzer, May 12, 1994
(Director and President)

/s/ J. Walter Tucker, Jr.

/s/ William C. Timm

J. Walter Tucker, Jr., May 12, 1994
(Director)

William C. Timm, May 12, 1994
(Vice President-Finance and
Administration and Chief Financial
Officer)

/s/ J. Thomas Montgomery, Jr.

J. Thomas Montgomery, Jr.,

May 12, 1994

(Vice President, Controller and Chief
Accounting Officer)

INDEX TO EXHIBITS

Exhibit Number	Description
4.1	Valhi, Inc. 1987 Stock Option - Stock Appreciation Rights Plan
5.1	Opinion of J. Mark Hollingsworth, Esq. on "Validity of Shares"
23.1	Consent of Coopers & Lybrand
23.2	Consent of KPMG Peat Marwick
23.3	Consent of Arthur Andersen & Co.
24.1	Powers of Attorney, included on signature pages

Exhibit 4.1

VALHI, INC.

1987 STOCK OPTION-STOCK APPRECIATION RIGHTS PLAN AMENDED AND RESTATED AS OF MARCH 10, 1994

SECTION 1 Title and Purpose. The plan described herein, as amended and restated, shall be known as the "Valhi, Inc. 1987 Stock Option-Stock Appreciation Rights Plan" (the "Plan"). The purpose of the Plan is to advance the interests of Valhi, Inc. ("Valhi") and any parent or subsidiary corporation of Valhi (together with Valhi referred to collectively as the "Company") by strengthening the Company's ability to attract and retain individuals of training, experience and ability in the employ of the Company and to furnish additional incentive to such key employees to promote the Company's financial success. The Plan will be effected through the granting of stock options and/or stock appreciation rights as herein provided, which stock options, it is intended, may constitute "incentive stock options" ("ISOs") within the meaning of Section 422A of the Internal Revenue Code of 1986, (the "Code") or stock options which do not constitute ISOs or as other qualified options ("non-qualified stock options" or "NSOs") (ISOs and NSOs being collectively referred to as "Stock Options"), as specified by the Committee (as defined in Section 4 below). Stock Options granted under the Plan may be accompanied by stock appreciation rights ("Stock Rights") as hereinafter set forth. The Plan may also be effected through the awarding of restricted stock ("Restricted Stock Awards" or "Restricted Stock") to key employees. As used herein "subsidiary corporation" and "parent corporation" shall have the same meaning as such terms are defined in Code Section 425.

SECTION 2 Shares of Stock Subject to the Plan. Stock which may be issued pursuant to Stock Options, Stock Rights and/or Restricted Stock Awards, granted from time to time under the Plan, shall not exceed in the aggregate 9,000,000 shares of Valhi common stock, \$.01 par value, (the "Common Stock") (subject to adjustment as provided in Section 16). The underlying shares issuable pursuant to grants in any single fiscal year, of Stock Options, Stock Rights and/or Restricted Stock Awards to a particular individual shall not exceed 500,000 shares of Common Stock. It is contemplated that the shares to be issued under the Plan will be approved for listing by each securities exchange on which shares of Common Stock are then listed.

In the event that any outstanding Stock Option granted under the Plan for any reason expires or is terminated without having been exercised in full or surrendered in full in connection with the exercise of Stock Rights, or any shares awarded as Restricted Stock are forfeited, the shares of Common Stock allocable to the unexercised portion of such Stock Option or Stock Right or forfeited portion of such Restricted Stock Award shall (unless the Plan shall have been terminated) become available for subsequent grants of Stock Options, Stock Rights and/or Restricted Stock Awards under the Plan.

SECTION 3 Eligibility. Stock Options, Stock Rights and/or Restricted Stock Awards may be granted to key employees of the Company (including officers of the Company who may also be directors of the Company) by the Committee (as defined in Section 4 below). In determining the employees to whom Stock Options, Stock Rights and/or Restricted Stock Awards will be granted and the number of shares to be covered by each, the Committee shall take into account the duties of the respective employees, their present and potential contributions to the success of the Company, the anticipated number of years of effective service remaining, and such other factors as they shall deem relevant in connection with accomplishing the purposes of the Plan. Neither Stock Options, Stock Rights nor Restricted Stock Awards may be granted to an individual under this Plan at a time when such individual is serving as a member of the Committee. An employee owning stock possessing more than 10 percent of the total combined voting power or value of all classes of stock of Valhi or any parent or subsidiary corporation ("Ten Percent Stockholder") is not eligible to receive an ISO unless the option price is at least 110 percent of the fair market value of the Common Stock at the time the ISO is granted and the ISO option by its terms is not exercisable more than 5 years from the date it is granted. Restricted Stock Awards and Common Stock which a grantee may purchase under outstanding Stock Options shall be treated as stock owned by such grantee for purposes of this calculation.

SECTION 4 Administration of the Plan. The Plan shall be administered by the Management Development and Compensation Committee (the "Committee") consisting of three or more individuals appointed by the board of directors of Valhi (the "Board of Directors"). No individual may be appointed to the Committee who is not a "disinterested person" with respect to the Plan or any other stock option, stock appreciation, stock bonus, restricted stock or other stock plan of the Company, so as to disqualify such individual as an administrator of the Plan under Rule 16(b)-3 of the Securities and Exchange Act of 1934, as amended, or any rules promulgated in substitution thereof (the "Rule"). One of the members of the Committee shall be designated as its chairman and the Committee shall hold its meetings at such times and places as it shall deem advisable. A majority of the members of the Committee shall constitute a quorum. All action of the Committee shall be taken by a majority of its members. Any action may be taken by a written instrument signed by a majority of the members of the Committee and any action so taken shall be fully effective as if it had been taken by a vote of a majority of the members of the Committee at a meeting duly called and held. The Committee may appoint a secretary, keep minutes of its meetings, and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

SECTION 5 Powers of the Committee. The Committee shall have full power and authority to determine the "key employees" of the Company to whom Stock Options, Stock Rights and/or Restricted Stock Awards shall be granted, the number of shares to be covered, the term period of each, the time or times at which Stock Options, Stock Rights or Restricted Stock Awards shall be granted, provided, with respect to ISOs, the term and the time are permitted by Section 422A of the Code, and to prescribe, amend, and rescind rules and regulations

relating to the Plan. Except as otherwise expressly provided in the Plan, the Committee shall also have the power to determine, at the time of the grant of each Stock Option, Stock Right or Restricted Stock Award, all terms and conditions governing the rights and obligations of the key employee with respect to such Stock Option, Stock Right or Restricted Stock Award, including but not limited to: (a) the exercise price or the method by which the exercise price shall be determined for the Stock Option or Stock Right; (b) the length of the period during which the Stock Option or Stock Right may be exercised and any limitations on the number of shares purchasable with the Stock Option at any given time during such period; (c) the time at which the Stock Option or Stock Right may be exercised; (d) any conditions precedent to be satisfied before the Stock Option or Stock Right may be exercised; (e) the date on which the restriction period of any Restricted Stock shall lapse; and (f) any restrictions on resale of any Restricted Stock, any shares purchased upon exercise of a Stock Option or any shares received upon exercise of a Stock Right. The Committee shall also have full and final authority: (i) to prescribe the form of each agreement evidencing Stock Options and Stock Rights (the "Stock Option -Stock Appreciation Rights Agreement") and Restricted Stock Awards (the "Restricted Stock Agreement"), which agreements need not be identical for each grantee but shall be consistent with the Plan; (ii) to adopt, amend and rescind such rules and regulations as may be advisable in the opinion of the Committee to administer the Plan; (iii) to correct any defect or supply any omission or reconcile any inconsistency in the Plan, including any correction or amendment which in the judgment of the Committee is necessary to ensure compliance with the requirements of the Rule; and (iv) to construe and interpret the Plan and any Stock Option -Stock Appreciation Rights Agreements and Restricted Stock Agreements thereunder and any rules and regulations relating thereto, and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Committee shall not possess any authority, the possession or exercise of which would cause an ISO granted hereunder to be disqualified as such under the Code.

SECTION 6 Liability of the Committee. In addition to such other rights of indemnification as they may have as directors of Valhi or as members of the

Committee or otherwise, members of the Committee shall be indemnified by Valhi as and to the fullest extent permitted by law, including without limitation, indemnification against the reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Stock Options, Stock Rights or Restricted Stock Awards granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by independent legal counsel selected by Valhi), or paid by them in satisfaction of a judgment in any such action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Committee member is liable for gross negligence, bad faith or misconduct in his duties.

SECTION 7 Price of Stock Options. The purchase price of the shares of Common Stock which shall be covered by each NSO shall be established by the

Committee at the time of granting the NSO, but at no time shall such a grant be less than 85% of the fair market value of the Common Stock as defined in this Section 7 at the time of such grant. The purchase price of the shares of Common Stock which shall be covered by each ISO shall be no less than the fair market value of the Common Stock at the time of granting the ISO. In the event that any ISO is granted to a Ten Percent Stockholder, the price at which shares of Common Stock shall be purchasable under such ISO shall not be less than 110 percent of the fair market value of such shares at the time of the grant. If the primary market for the Common Stock is a national securities exchange, the NASDAQ National Market System, or other market quotation system in which last sale transactions are reported on a contemporaneous basis, such fair market value shall be deemed to be the last reported sale price of the Common Stock on such exchange or in such quotation system on the day as of which the option shall be granted, or, if there shall not have been a sale on such exchange or reported through such system on such trading day, the closing or last bid quotation therefor on such exchange or quotation system on such trading day. If the primary market for the Common Stock is not such an exchange or quotation market in which transactions are contemporaneously reported, such fair market value shall be deemed to be the closing or last bid quotation in the over-the-counter market on such trading day as reported by the National Association of Securities Dealers through NASDAQ, its automated system for reporting quotations, or its successor or such other generally accepted source of publicly reported bid quotations as the Company may reasonably designate on the day as of which the option shall be granted. In all other cases, such fair market value shall be determined in good faith by the Committee as of the day the option is granted. If the price so determined shall include a fraction of a cent, it shall be rounded up to the next full cent.

SECTION 8 Medium and Time of Payment Upon Exercise of Stock Options. The purchase price payable upon the exercise of a Stock Option shall be payable at the time of such exercise and may be paid in cash, by check, with shares of Common Stock, or in any combination thereof. For purposes of making such payment in shares of Common Stock, such shares shall be valued at their fair market value as provided in Section 7 on the day of exercise of the Stock Option and shall have been held by the grantee for a period of at least six (6) months.

SECTION 9 Limitation on Grant of ISOs. The aggregate fair market value (determined as of the time the ISO is granted) of the shares with respect to which ISOs are exercisable for the first time by a grantee during any calendar year (under all such plans of the Company) shall not exceed \$100,000.

SECTION 10 Maximum Term of Stock Option or Stock Right. The period during which each Stock Option or Stock Right granted hereunder may be exercised will be determined by the Committee in each case; provided, however, that no Stock Option or Stock Right shall by its terms be exercisable after the expiration of 10 years from the date such Stock Option or Stock Right is granted. In the event that any ISO is granted to a Ten Percent Stockholder the maximum expiration period described above shall be reduced to 5 years from the date the ISO is granted.

SECTION 11 Limitations on Right to Exercise. The exercisability of Stock

Options or Stock Rights granted under the Plan shall be subject to such restrictions as the Committee may impose, which restrictions may differ with respect to each grantee and which may be included in a Stock Option - Stock Appreciation Rights Agreement or which the Committee may otherwise inform the grantee. Absence or leave approved by the Company, to the extent permitted by the applicable provisions of the Code, shall not be considered an interruption of employment for any purpose under the Plan. The exercise of any Stock Option or Stock Right granted under the Plan will be contingent upon the advice of counsel to the Company that such shares have been duly registered or are exempt from registration under the applicable securities laws, and upon receipt by the Committee of cash, check, Common Stock or combination thereof in payment of the full purchase price of such shares. Except upon the issuance of shares of Common Stock upon the exercise of a Stock Option or Stock Right, the holder of a Stock Option or Stock Right shall not have any of the rights of a stockholder with respect to the shares covered by the Stock Option or Stock Right.

SECTION 12 Award of Stock Rights.

(a) Stock Rights may be granted to such key employees holding Stock Options granted under the Plan as the Committee may select and upon such terms and conditions as the Committee may prescribe. Each Stock Right shall relate to a specific Stock Option granted and may be granted concurrently with the Stock Option to which it relates or at any time prior to the exercise, expiration or termination of such Stock Option (except as otherwise provided in Section 19 hereof). A Stock Right shall entitle the grantee, subject to the provisions of the Plan and the related Stock Option-Stock Appreciation Rights Agreement, to receive from the Company an amount equal to the excess of the fair market value, on the exercise date, of the number of shares of Common Stock for which the Stock Right is exercised over the purchase price for such shares of Common Stock under the related Stock Option. For this purpose, such fair market value shall be determined as provided in Section 7 on the close of business on the day of exercise.

(b) A Stock Right shall be exercisable on such dates or during such periods as may be determined by the Committee from time to time, except that in no event shall such right be exercisable when the related Stock Option is not eligible to be exercised or when the fair market value per share of the Common Stock on the exercise date does not exceed the exercise price per share of the related Stock Option.

(c) A Stock Right may be exercised only upon surrender of the related Stock Option by the grantee which shall be terminated to the extent of the number of shares for which the Stock Right is exercised. Shares covered by such a terminated Stock Option or portion thereof granted under the Plan shall not be available for further grants under the Plan.

(d) The amount payable by the Company upon exercise of a Stock Right may be paid in cash, in shares of Common Stock (valued at their fair market value on the exercise date determined as provided in Section 7) or in any combination thereof as the Committee shall determine from time to time. No fractional shares shall be issued and the grantee shall receive cash in lieu thereof.

(e) The Committee may impose any other conditions upon the exercise of a Stock Right, which conditions may include a condition that the Stock Right may be exercised only in accordance with rules and regulations adopted by the Committee from time to time. Such rules and regulations may govern the right to exercise Stock Rights granted prior to the adoption or amendment of such rules and regulations as well as Stock Rights granted thereafter.

(f) The Committee may at any time amend, terminate or suspend any Stock Right theretofore granted under the Plan, provided that the terms of any Stock Right after any amendment shall conform to the provisions of the Plan. A Stock Right shall terminate upon the termination or expiration of the related Stock Option.

(g) Notwithstanding the provisions of this Section 12, a Stock Right may not be exercised until the expiration of six (6) months from the date of grant of such Stock Right unless, prior to the expiration of such six (6) month period, the holder of such Stock Right ceases to be an employee of the Company by reason of such holder's retirement, death or disability.

(h) The Company intends that this Section 12 shall comply with the requirements of the Rule during the term of the Plan. Should any provision of this Section 12 not be necessary to comply with the requirements of the Rule or should any additional provisions be necessary for this Section 12 to comply with the requirements of the Rule, the Board of Directors may amend the Plan to add or to modify the provisions of the Plan accordingly.

SECTION 13 Award of Restricted Stock.

(a) The Committee shall have the authority (i) to grant Restricted Stock Awards, (ii) to issue or transfer Restricted Stock and (iii) to establish terms, conditions and restrictions in connection with the issuance or transfer of Restricted Stock.

(b) The grantee of a Restricted Stock Award shall execute and deliver to the Committee a Restricted Stock Agreement satisfactory to the Committee with respect to the Restricted Stock covered by such agreement as well as any other documents that the Committee may require in connection with the Restricted Stock Award. The Committee shall then cause stock certificates registered in the name of the grantee to be issued and deposited, together with the related Restricted Stock Agreement, with an escrow agent to be designated by the Committee, which may be the Company.

(c) Restricted Stock Awards shall be subject to such restrictions as the Committee may impose, which may differ with respect to each grantee and which restrictions may be included in a Restricted Stock Agreement or which the Committee may otherwise inform the grantee.

(d) The Committee shall have the authority to remove any or all of the restrictions on the Restricted Stock whenever it may determine that, by reason of changes in applicable laws or other changes in circumstances arising after the date of the Restricted Stock Award, such action is appropriate.

(e) The restriction period of Restricted Stock shall commence on the date of grant and, unless otherwise established by the Committee in the Restricted Stock Agreement setting forth the terms of the Restricted Stock Award, shall expire five years from the date of grant.

(f) Subject to Section 21 and any requirement imposed by the Committee in a Restricted Stock Agreement, or otherwise, at the expiration of a restriction period and at the written request of a grantee, a stock certificate evidencing the Restricted Stock with respect to which a restriction period has expired (to the nearest full share) shall be delivered without charge to the grantee, or his personal representative, free of all restrictions under the Plan.

SECTION 14 Limitations on Transfer. No Stock Option, Stock Right or Restricted Stock Award granted under the Plan shall be transferable otherwise than by will or the laws of descent and distribution, and no Stock Option or Stock Right granted under the Plan may be exercised by any person other than the person to whom the Stock Option or Stock Right shall initially have been granted during the lifetime of such original grantee (other than the person's guardian or legal representative). After the death of such original grantee, the "holder" of any Stock Option, Stock Right or Restricted Stock Award granted under the Plan shall be deemed to be the person to whom the original grantee's rights shall pass under the original grantee's will or under the laws of descent and distribution.

SECTION 15 No Right to Employment Conferred. Nothing in the Plan or in any Stock Option-Stock Appreciation Rights Agreement or Restricted Stock Agreement shall confer upon any employee any right to continue in the employ of the Company or interfere in any way with the right of the Company to terminate such employee's employment at any time.

SECTION 16 Change in Stock and Adjustments.

(a) In the event the outstanding shares of Common Stock, as constituted from time to time, shall be changed as a result of a change in the capitalization of the Company or a combination, merger, or reorganization of the Company into or with any other corporation or any other transaction with similar effects, there then shall be substituted for each share of Common Stock theretofore subject, or which may become subject, to issuance or transfer under the Plan, the number and kind of shares of Common Stock or other securities or other property as are equitably determined by the Committee. The Committee shall make such other equitable adjustments to any outstanding Stock Options, Stock Rights and/or Restricted Stock Awards granted pursuant to the Plan as the Committee determines appropriate.

(b) In the event of any change in applicable laws or any change in circumstances which results in or would result in any dilution of the rights granted under the Plan, or which otherwise warrants equitable adjustment because it interferes with the intended operation of the Plan, then, if the Committee shall, in its sole discretion, determine that such change equitably requires an adjustment in the number or kind of shares of stock or other securities or other property theretofore subject, or which may become subject, to issuance or

transfer under the Plan or in the terms and conditions of any outstanding Stock Option, Stock Right or Restricted Stock Award, such adjustment shall be made in accordance with such determination. Any adjustment of an ISO under this paragraph shall be made only to the extent it does not constitute a "modification" within the meaning of Section 425(h) (3) of the Code. The Committee shall give notice to each grantee of any adjustment made under the Plan and, upon such notice, such adjustment shall be effective and binding for all purposes of the Plan.

SECTION 17 Stockholder Approval. The Plan is expressly made subject to the approval by the holders of a majority of the issued and outstanding shares of Valhi entitled to vote at a meeting of stockholders of Valhi (the "Stockholders") duly called in accordance with applicable law. If the Plan is not so approved within one year after its adoption by the Board of Directors, the Plan shall not come into effect, and any Stock Option, Stock Right or Restricted Stock Award granted pursuant hereto shall terminate and end. No option or right granted hereunder shall be exercisable nor restricted stock vest unless and until such stockholder approval is obtained and unless and until such further Stockholder approval required pursuant to Section 19 is obtained.

SECTION 18 Time of Granting Stock Options, Stock Rights or Restricted Stock Awards. Neither anything contained in the Plan nor in any resolutions adopted or to be adopted by the Board of Directors or the Stockholders nor any action taken by the Committee shall constitute the granting of any Stock Option, Stock Right or Restricted Stock Award. The granting of a Stock Option, Stock Right or Restricted Stock Award shall take place only when a written Stock Option-Stock Appreciation Rights Agreement or Restricted Stock Agreement shall have been duly executed and delivered by the Company and the grantee.

SECTION 19 Termination and Amendment of the Plan. The Plan shall terminate on the earlier of (i) ten years from the date the Plan is adopted by the Board of Directors or by the Stockholders, whichever is earlier, or (ii) such time as a new stock option-stock appreciation rights and restricted stock plan is adopted by the Board of Directors in replacement of the Plan. No Stock Option, Stock Right or Restricted Stock Award shall be granted under the Plan after its termination date, but the termination of the Plan shall not adversely affect any Stock Option, Stock Right or Restricted Stock Award theretofore granted under the Plan. Subject to the foregoing, the Plan may at any time or from time to time be terminated, modified or amended by (1) the Board of Directors and (2), if and to the extent that Stockholder approval is required under Section 422A of the Code or by any securities exchange on which the shares of Common Stock are then listed, or if directed by the Board of Directors, by the Stockholders.

SECTION 20 Plan Provisions Control Terms of Agreement. The terms of the Plan shall govern all Stock Options, Stock Rights or Restricted Stock Awards granted under the Plan and in no event shall the Committee have the power to grant any Stock Option, Stock Right or Restricted Stock Award under the Plan which is contrary to any of the provisions of the Plan.

SECTION 21 Agreement by Grantee Regarding Withholding Taxes. If the

Committee shall so require, as a condition of exercise of each Stock Option or Stock Right and vesting of each Restricted Stock Award, each grantee shall agree that:

(a) no later than the date of exercise of any Stock Option or Stock Right granted hereunder, the grantee will pay to the Company or make arrangements satisfactory to the Committee regarding payment of any Federal, state or local taxes of any kind required by law to be withheld upon the exercise of such Stock Option or Stock Right;

(b) no later than the date of expiration of a restrictive period of any Restricted Stock Award granted hereunder, the grantee will pay to the Company or make arrangements satisfactory to the Committee regarding payment of any Federal, state or local taxes of any kind required by law to be withheld upon the vesting of such Restricted Stock; and

(c) the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind otherwise due to the grantee, Federal, state or local taxes of any kind required by law to be withheld upon the exercise of such Stock Option or Stock Right or vesting of such Restricted Stock.

SECTION 22 Effective Date of Plan. The Plan is effective as of May 28, 1987. The Plan, as amended and restated, as of December 4, 1990, shall be effective as of December 4, 1990; the Plan, as amended and restated as of January 28, 1991, shall be effective as of January 28, 1991; the Plan, as amended and restated as of February 18, 1992, shall be effective as of February 18, 1992 and the Plan, as amended and restated as of March 10, 1994, shall be effective as of March 10, 1994; each such amendment and restatement being subject to approval by the Stockholders pursuant to the provisions of Section 19.

Exhibit 5.1

May 12, 1994

Board of Directors
Valhi, Inc.
Three Lincoln Centre
5430 LBJ Freeway, Suite 1700
Dallas, TX 75240

Re: Registration Statement on Form S-8 - Amended and Restated Valhi, Inc. 1987
Stock Option - Stock Appreciation Rights Plan

Gentlemen:

I have acted as counsel to Valhi, Inc., a Delaware corporation (the "Company"), in connection with the preparation of the Form S-8 Registration Statement of the Company to be filed with the Securities and Exchange Commission (the "Registration Statement") on or about May 13, 1994 with respect to the registration of 3,000,000 shares (the "Shares") of common stock, \$.01 par value, of the Company available for issuance in connection with the Amended and Restated Valhi, Inc. 1987 Stock Option - Stock Appreciation Rights Plan (the "Amended and Restated Valhi Option Plan").

In connection with this opinion, I have made such inquiries, examined such documents and corporate records and relied upon such certificates of officers of the Company and public officials as I have considered necessary or appropriate as a basis for the opinions set forth below. In my examination I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted as certified or photostatic copies, and the authenticity of the originals of such latter documents.

I am a member of the bar of the State of Texas, and I express no opinions as to the laws of any other jurisdiction other than the United States and the General Corporation Law of the State of Delaware. I serve as an officer and an employee of the Company.

Based upon and subject to the assumptions, qualifications, limitations and exceptions set forth herein, it is my opinion that:

1. The issuance of the Shares has been duly authorized by all necessary corporate action of the Company;
2. The Shares, when issued and delivered in accordance with the Amended and Restated Valhi Option Plan, will be validly issued, fully paid and nonassessable.

I consent to the inclusion of this letter as an exhibit to the Registration Statement. In giving such consent, I do not thereby admit that I am within the category of persons whose consent is required by Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

J. Mark Hollingsworth
Corporate Counsel

Exhibit 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the reference to our firm under the caption "EXPERTS" in Valhi, Inc.'s Registration Statement on Form S-8 pertaining to the Valhi, Inc. 1987 Stock Option - Stock Appreciation Rights Plan, and to the incorporation by reference therein of our reports dated February 25, 1994 with respect to the consolidated financial statements and financial statement schedules of Valhi, Inc. and Subsidiaries included in its Annual Report on Form 10-K for the year ended December 31, 1993.

COOPERS & LYBRAND

Dallas, Texas
May 12, 1994

Exhibit 23.2

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

We consent to the reference to our firm under the caption "EXPERTS" in Valhi, Inc.'s Registration Statement (Form S-8) pertaining to the Valhi, Inc. 1987 Stock Option - Stock Appreciation Rights Plan, and to the incorporation by reference therein of our reports dated January 28, 1994 relating to the consolidated financial statements and financial statement schedules of the Amalgamated Sugar Company for each of the three years in the period ended December 31, 1993.

KPMG PEAT MARWICK

Salt Lake City, Utah
May 12, 1994

Exhibit 23.3

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Form S-8 Registration Statement pertaining to the Valhi, Inc. 1987 Stock Option - Stock Appreciation Rights Plan of our reports dated January 28, 1994 included in Valhi, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1993 and to all references to our firm included in this Registration Statement.

ARTHUR ANDERSEN & CO.

Portland, Oregon,
May 12, 1994