

AMPAL-AMERICAN ISRAEL CORP
Form 4
January 09, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Merhav (m.n.f.) LTD

2. Issuer Name and Ticker or Trading Symbol
AMPAL-AMERICAN ISRAEL CORP [AMPL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)

____ Director
____ Officer (give title below)
 10% Owner
____ Other (specify below)

33 HAVAZELET HASHARON STREET

01/05/2007

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

HERZLIYA, ISRAEL, L3 46105

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				Code	V	Amount	(A) or (D)	Price	
Class A Stock	01/05/2007 ⁽¹⁾⁽²⁾		P		8,602,151	A	⁽³⁾ <u>(4)</u>	18,850,153	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)
				Code V (A) (D)		Date Exercisable Expiration Date
Convertible Promissory Note	\$ 4.65	01/05/2007 ⁽²⁾		P ⁽³⁾⁽⁴⁾	4,301,075 (3) (4)	02/07/2007 ⁽²⁾⁽³⁾⁽⁴⁾ 09/20/2007 ⁽²⁾⁽³⁾⁽⁴⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Merhav (m.n.f.) LTD 33 HAVAZELET HASHARON STREET HERZLIYA, ISRAEL, L3 46105			X	

Signatures

/s/ Merhav (m.n.f.) Limited By: Yosef A. Maiman, President & CEO
01/09/2007

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- As permitted under the stock purchase agreement pursuant to which the securities reported herein were acquired, Merhav (m.n.f.) Ltd., an Israeli corporation ("Merhav"), has notified the Issuer that Merhav intends to assign its right to receive 8,602,151 shares of Class A Stock to De Majorca Holdings Ltd. as part of a restructuring process. The reporting person owns 100% of Merhav.
- The acquisition of these securities requires shareholder approval. Due to the existence of the Maiman voting group, shareholder approval may be deemed to have been obtained on January 5, 2007 based on the expiration of the 10 calendar day waiting period following the filing of a preliminary proxy statement seeking shareholder approval of the issuance of these securities. As a result, Merhav may be deemed to have acquired these securities on that date.
- On November 28, 2006, Merhav entered into an agreement with a wholly owned subsidiary of the Issuer for the sale of a portion of Merhav's interest in East Mediterranean Gas Co. S.A.E., an Egyptian joint stock company ("EMG"), pursuant to an option granted to the Issuer by Merhav in August 2006. The transaction closed on December 21, 2006.
- The purchase price for the shares of EMG was approximately \$128.3 million, of which, approximately \$68.3 million was paid to Merhav in cash, \$40 million will be paid in 8,602,151 shares of the Company's Class A Stock and the balance was paid by a promissory note in the principal amount of \$20 million (the "Convertible Promissory Note"), which, at the option of Merhav, will be paid in cash, additional shares of the Company's Class A Stock (based on a price per share of \$4.65 per share), or a combination thereof. The Convertible Promissory Note bears interest at 6 months LIBOR (5.375%) and matures in one or more partial payments on the earlier of September 20, 2007 or upon demand by Merhav.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.