# AMPAL-AMERICAN ISRAEL CORP

Reported by

**KARNI YEHUDA**

# FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 12/10/08 for the Period Ending 12/08/08

| | |
|---|---|
| Address | 555 MADISON AVENUE<br>20TH FLOOR<br>NEW YORK, NY 10022 |
| Telephone | 2125939842 |
| CIK | 0000731859 |
| Symbol | AMPL |
| SIC Code | 6799 - Investors, Not Elsewhere Classified |
| Industry | Misc. Financial Services |
| Sector | Financial |
| Fiscal Year | 12/31 |

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# FORM 4

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

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

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## 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(f) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person * | 2. Issuer Name **and** Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) |
|---|---|---|
| **KARNI YEHUDA** | **AMPAL-AMERICAN ISRAEL CORP [ AMPL ]** | __ **X** __ Director _____ 10% Owner |
| (Last) (First) (Middle) | 3. Date of Earliest Transaction (MM/DD/YYYY) | _____ Officer (give title below) _____ Other (specify below) |
| **C/O AMPAL-AMERICAN ISRAEL CORPORATION, 10 ABBA EVEN ST.** | **12/8/2008** | |
| (Street) | 4. If Amendment, Date Original Filed (MM/DD/YYYY) | 6. Individual or Joint/Group Filing (Check Applicable Line) |
| **HERZLIYA, ISRAEL, L3 46733** | | _ **X** _ Form filed by One Reporting Person |
| (City) (State) (Zip) | | ___ Form filed by More than One Reporting Person |

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

| 1.Title of Security (Instr. 3) | 2. Trans. Date | 2A. Deemed Execution Date, if any | 3. Trans. 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 Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |

**Table II - Derivative Securities Beneficially Owned ( *e.g.* , puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivate Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Trans. Date | 3A. Deemed Execution Date, if any | 4. Trans. 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 | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| **Stock Option (Right to Buy)** | **$1.17** | **12/8/2008** | | **A** | | **180000** | | (1) | **12/7/2018** | **Class A Stock** | **180000** | (2) | **180000** | **D** | |
| **Stock Option (Right to Buy)** | **$3.12** | **12/8/2008** | | **D** | | | **15000** | (3) | **8/15/2012** | **Class A Stock** | **15000** | (2) | **0** | **D** | |
| **Stock Option (Right to Buy)** | **$3.69** | **12/8/2008** | | **D** | | | **45000** | (4) | **10/9/2015** | **Class A Stock** | **45000** | (2) | **0** | **D** | |
| **Stock Option (Right to Buy)** | **$5.06** | **12/8/2008** | | **D** | | | **30000** | (5) | **12/11/2016** | **Class A Stock** | **30000** | (2) | **0** | **D** | |
| **Stock Option (Right to Buy)** | **$5.35** | **12/8/2008** | | **D** | | | **90000** | (6) | **9/2/2017** | **Class A Stock** | **90000** | (2) | **0** | **D** | |

**Explanation of Responses:**

**( 1)** This option vests and becomes exercisable as follows: (i) option to purchase 90,000 shares is vested and exercisable on December 8, 2008, (ii) option to purchase 11,250 shares vests and becomes exercisable in installments of 2,812.5 shares, beginning on January 10, 2009 and each three month anniversary thereafter, (iii) option to purchase 16,875 shares vests and becomes exercisable in installments of

1,875 shares, beginning on December 12, 2008 and each three month anniversary thereafter, and (iv) option to purchase 61,875 shares vests and becomes exercisable in installments of 5,625 shares, beginning on March 3, 2009 and each three month anniversary thereafter.

**( 2)** In connection with the repricing of certain options by the Issuer, the options granted to the reporting person on August 16, 2002, October 10, 2005, December 12, 2006 and September 3, 2007 were cancelled in exchange for a new option with a lower exercise price.

**( 3)** This option was granted on August 16, 2002 and vested in equal installments of 937.5 shares beginning on November 16, 2002 and each three month anniversary thereafter.

**( 4)** This option was granted on October 10, 2005 and vested in equal installments of 2,812.5 shares beginning on January 10, 2006 and each three month anniversary thereafter.

**( 5)** This option was granted on December 12, 2006 and vested in equal installments of 1,875 shares beginning on March 12, 2007 and each three month anniversary thereafter.

**( 6)** This option was granted on September 3, 2007 and vested in equal installments of 5,625 shares beginning on December 3, 2007 and each three month anniversary thereafter.

**Reporting Owners**

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| **KARNI YEHUDA**<br>**C/O AMPAL-AMERICAN ISRAEL CORPORATION**<br><br>**10 ABBA EVEN ST.**<br>**HERZLIYA, ISRAEL, L3 46733** | **X** | | | |

**Signatures**

**/s/ Yehuda Karni** **12/10/2008**

** Signature of Reporting Person — Date

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

***** 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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