

AMPAL-AMERICAN ISRAEL CORP

Reported by
MORAG MENAHEM

FORM 4

(Statement of Changes in Beneficial Ownership)

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

Address	555 MADISON AVENUE 20TH FLOOR 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

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**

OMB APPROVAL
OMB Number: 3235-0287
Expires: February 28, 2011
Estimated average burden hours per response... 0.5

**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 * MORAG MENAHEM (Last) (First) (Middle)	2. Issuer Name and Ticker or Trading Symbol AMPAL-AMERICAN ISRAEL CORP [AMPL]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director _____ 10% Owner <input type="checkbox"/> Officer (give title below) _____ Other (specify below)
(Street) C/O AMPAL-AMERICAN ISRAEL CORPORATION, 10 ABBA EVEN ST.	3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">12/8/2008</p>	
(City) (State) (Zip) HERZLIYA, ISRAEL, L3 46733	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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)			

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)	\$3.13	12/8/2008		D		15000		(3)	3/23/2014	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 March 24, 2004, 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 March 24, 2004 and vested in equal installments of 937.5 shares beginning on June 24, 2004 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
MORAG MENAHEM C/O AMPAL-AMERICAN ISRAEL CORPORATION 10 ABBA EVEN ST. HERZLIYA, ISRAEL, L3 46733	X			

Signatures

/s/ Menahem Morag

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.