

# AMPAL-AMERICAN ISRAEL CORP

Reported by  
**YERUSHALMI JOSEPH**

## 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**

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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)		
<b>YERUSHALMI JOSEPH</b>			<b>AMPAL-AMERICAN ISRAEL CORP [ AMPL ]</b>			<input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (MM/DD/YYYY)					
			<b>12/8/2008</b>					
C/O AMPAL-AMERICAN ISRAEL CORPORATION, 10 ABBA EVEN ST.			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
(Street)						<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
HERZLIYA, ISRAEL, L3 46733								
(City)			(State)			(Zip)		

**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		100000		(3)	8/15/2012	Class A Stock	100000	(2)	0	D	
Stock Option (Right to Buy)	\$5.06	12/8/2008		D		80000		(4)	12/11/2016	Class A Stock	80000	(2)	0	D	

**Explanation of Responses:**

- This option vests becomes exercisable as follows: (i) option to purchase 135,000 shares is vested and exercisable on December 8, 2008 and (ii) option to purchase 45,000 shares vests and becomes exercisable in installments of 5,000 shares, beginning on December 12, 2008 and each three month anniversary thereafter.
- In connection with the repricing of certain options by the Issuer, the options granted to the reporting person on August 16, 2002 and December 12, 2006 were cancelled in exchange for a new option with a lower exercise price.
- This option was granted on August 16, 2002 and vested in equal installments of 6,250 shares beginning on November 16, 2002 and each three month anniversary thereafter.

- (4) This option was granted on December 12, 2006 and vested in equal installments of 5,000 shares beginning on March 12, 2007 and each three month anniversary thereafter.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>YERUSHALMI JOSEPH</b> <b>C/O AMPAL-AMERICAN ISRAEL CORPORATION</b>  <b>10 ABBA EVEN ST.</b> <b>HERZLIYA, ISRAEL, L3 46733</b>	<b>X</b>			

**Signatures**

/s/ Joseph Yerushalmi

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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