

TOWER SEMICONDUCTOR LTD
Form SC 13D/A
July 06, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 1)

Tower Semiconductor Ltd.

(Name of Issuer)

Ordinary Shares, NIS 1.00 par value per share
(Title of Class of Securities)

M87915-10-0

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(CUSIP Number)

Yael (Ben Moshe) Rudnicki

Bank Leumi le-Israel B.M.

34 Yehuda Halevi Street

Tel Aviv 65546, Israel

972-3-5149419

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

June 15, 2011

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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.

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1. Names of Reporting Persons.

Bank Leumi le-Israel B.M.

I.R.S. Identification Nos. of above persons (entities only).

Not applicable.

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

OO

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization - Israel

7. Sole Voting Power - 98,378,314

Number of Shares

Beneficially

Owned by Each

Reporting Person With

8. Shared Voting Power - 0

9. Sole Dispositive Power - 98,378,314

10. Shared Dispositive Power - 0

11. Aggregate Amount Beneficially Owned by Each Reporting Person - 98,378,314

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11) - 23.8% (1)

14. Type of Reporting Person (See Instructions)

BK

(1) Based on Ordinary Shares outstanding as at June 26, 2011, as reported by Tower in its Proxy Statement dated June 30, 2011 for its Annual General Meeting of Shareholders (filed in its report on Form 6-K for the month of June 2011 (No. 6) with the Securities and Exchange Commission on June 30, 2011 (**Tower s Proxy Statement**)) and calculated in accordance with rule 13d-3(d)(1)(i).

The statement on Schedule 13D, dated February 3, 2011, of Bank Leumi le Israel B.M. (**Leumi** , **the Bank** or **Reporting Person**) is hereby amended as follows:

Item 2. Identity and Background

Parts I and II of Schedule A are hereby amended to read in their entirety as attached hereto and incorporated herein by reference.

Item 5. Interest in Securities of the Issuer

Item 5 is hereby amended to read in its entirety as follows:

To the knowledge of the Reporting Person:

- (a) (1) Leumi is the beneficial owner of 98,378,314 Ordinary Shares, including 96,409,377 Ordinary Shares issuable upon conversion of its currently convertible capital notes and 1,448,298 Ordinary Shares issuable upon exercise of currently exercisable warrants. Leumi's ownership represents approximately 23.8% of the Ordinary Shares outstanding as at June 26, 2011, as reported by Tower in Tower's Proxy Statement and calculated in accordance with rule 13d-3(d)(1)(i).
- (2) none of the persons identified in the tables set forth in Part I of Schedule A beneficially owns any Ordinary Shares.
- (b) Leumi has sole voting and dispositive power over 98,378,314 Ordinary Shares, including 96,409,377 Ordinary Shares issuable upon conversion of currently convertible capital notes and 1,448,298 Ordinary Shares issuable upon exercise of currently exercisable warrants.
- (c) Save for the following transactions, neither Leumi nor, to its knowledge, any person identified in the tables set forth in Part I of Schedule A, has effected any transactions in the Ordinary Shares during the past sixty (60) days:
- (i) Leumi acquired Ordinary Shares upon cashless exercise of warrants previously granted by Tower to Leumi as follows: (1) 147,329 shares upon full exercise on May 17, 2011, of a warrant granted in 2009; (2) 147,329 shares upon full exercise, on May 17, 2011, of a warrant granted in 2010; and (3) 225,981 shares upon full exercise, on May 22, 2011, of a warrant granted in 2005.
- (ii) Set forth below are the dates of sales by Leumi of Ordinary Shares on the Tel Aviv Stock Exchange of the shares set forth below. Although all sales were made in New Israel Sheqels (**NIS**), the US Dollar Prices set forth below reflect conversion of such NIS Price into US Dollars based on the relevant Representative Rate published by the Bank of Israel:

| Date | Number of Shares | Price per Ordinary Share |
|-----------|------------------|--------------------------|
| 5/24/2011 | 359,114 | \$ 1.200 |
| 5/25/2011 | 322,073 | \$ 1.168 |

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|-----------|---------|----|-------|
| 5/26/2011 | 190,389 | \$ | 1.171 |
| 5/30/2011 | 126,017 | \$ | 1.169 |
| 5/31/2011 | 342,237 | \$ | 1.193 |
| 6/1/2011 | 110,379 | \$ | 1.176 |

| Date | Number of Shares | Price per Ordinary Share |
|-----------|------------------|--------------------------|
| 6/2/2011 | 333,733 | \$ 1.137 |
| 6/5/2011 | 213,414 | \$ 1.154 |
| 6/6/2011 | 181,200 | \$ 1.155 |
| 6/9/2011 | 186,818 | \$ 1.109 |
| 6/12/2011 | 35,000 | \$ 1.049 |
| 6/13/2011 | 426,000 | \$ 1.086 |
| 6/14/2011 | 182,397 | \$ 1.095 |
| 6/15/2011 | 559,244 | \$ 1.127 |
| 6/16/2011 | 657,981 | \$ 1.148 |

(d) To the knowledge of the Reporting Person, Hapoalim, as the other lender to Tower and party to the Facility Agreement, received an identical amount of capital notes convertible into an identical number of Ordinary Shares, received 4,226,220 Ordinary Shares in consideration for the Decreased Amount (as applicable to Hapoalim) and, as party to amendments to the Facility Agreement requested by Tower, was granted identical amounts of warrants from Tower in 2003, 2005, 2009 and 2010 and, in connection with a separate equipment facility provided to Tower by Leumi, was granted a warrant in 2007 to purchase 1,470,588 Ordinary Shares. Based on Hapoalim's Statement on Schedule 13D, dated February 3, 2011, Hapoalim was the beneficial owner of 102,807,920 Ordinary Shares, including 96,409,377 Ordinary Shares issuable upon conversion of its Capital Notes and 1,918,886 Ordinary Shares issuable upon exercise of warrants.

(e) Hapoalim's ownership as aforesaid represented approximately 24.85% of the Ordinary Shares outstanding as at June 26, 2011, as reported in Tower's Proxy Statement.

Neither the filing of this Statement nor any of its contents shall be deemed to constitute an admission by the Reporting Person that the Reporting Person and any other persons or entities constitute a group for purposes of Section 13(d) of the Securities Exchange Act of 1934 (the Exchange Act) and the rules promulgated thereunder. Further, the filing of this Statement shall not be construed as an admission that the Reporting Person is, for the purposes of Section 13(d) or 13(g) of the Exchange Act, or for any other purpose, the beneficial owner of any Ordinary Shares other than those Ordinary Shares over which the Reporting Person has voting and dispositive power, as reported herein. The Reporting Person disclaims any pecuniary interest in any securities of Tower owned by any other person, and expressly disclaims the existence of a group.

Without limiting the generality of the foregoing, although, as described in Item 6 below, Leumi entered into (a) a Tag Along Agreement, as amended, with Israel Corporation Ltd. (TIC), Tower's largest shareholder, and (b) an agreement with TIC, SanDisk Corporation, Alliance Semiconductor Corporation and Macronix International Co. Ltd. (collectively, the Lead Investors), the Reporting Person expressly disclaims the existence of a group with such counterparties. Based on Tower's Proxy Statement, TIC beneficially owned, as at June 26, 2011, approximately 42.54% of the then outstanding Ordinary Shares of Tower. Leumi owns ordinary shares in TIC representing 17.96% of TIC's issued share capital (18.13% of the voting rights) (on an undiluted basis). In addition, for as long as Leumi owns between 10% to 20% of TIC's issued share capital, 20% of the members of TIC's board of directors are proposed by Leumi. The identities of the directors proposed by Leumi are subject to the approval of TIC's controlling shareholder.

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Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

July 6, 2011

Date

/s/ Batsheva Lapidot

/s/ David Sackstein

Signature

Batsheva Lapidot
VP- Sector Manager

David Sackstein
Office of the Corporate Secretary
Bank Leumi le-Israel B.M.

Name/Title

SCHEDULE AI. **Information Regarding Executive Officers and Directors of Bank Leumi le-Israel B.M**
Board of Directors

| Name | Business Address | Principal Occupation | Citizenship |
|----------------|---|--|-------------|
| David Brodet | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Chairman of the Board of Directors of Bank Leumi le-Israel B.M. | Israeli |
| Reuven Adler | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | C.P.A. (Isr.), Business Consultant and Company Director | Israeli |
| Doron Cohen | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | CEO, Co-Op Blue Square Services Corporation Ltd., Economic and Business Consulting | Israeli |
| Moshe Dovrat | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Company Director | Israeli |
| Yehuda Drori | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Company Director and member of Investment Committee, Financial Consultant | Israeli |
| Zipora Gal Yam | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Economic Consultant, Company Director | Israeli |
| Arieh Gans | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Professor of Accounting, Tel Aviv University and Company Director | Israeli |

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| | | | |
|----------------------|---|---|---------|
| Rami Avraham Guzman* | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Company Director, Public/Government Company Advisor | Israeli |
| Miri Katz* | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Attorney | Israeli |
| Zvi Koren* | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Economic Advisor | Israeli |
| Jacob Mashaal* | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Company Manager | Israeli |

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| Name | Business Address | Principal Occupation | Citizenship |
|-----------------|---|--|-------------|
| Yoav Nardi | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Company Director, Financial and Risk Management Consultant | Israeli |
| Efraim Sadka | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Professor of Economics, Tel Aviv University | Israeli |
| Gabriela Shalev | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | President of the Higher Academic Council, Ono Academic College | Israeli |
| Ehud Shapira | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Doctor of Economics and Finance, Company Director, Chairman of Bar-Ilan Yeda Ltd., Chairman of the Investment Committee of Bar-Ilan University | Israeli |

* In accordance with the Bank's Articles of Association, at the Bank's Annual General Meeting held on 24 May 2010, four directors retired by rotation, as follows: Adv. Miri Katz, Mr. Rami Avraham Guzman, Adv. Jacob Mashaal, and Mr. Zvi Koren. At said Annual General Meeting, Adv. Miri Katz was re-elected and Mr. David Avner and Mr. Amos Sapir were elected to serve as new directors of the Bank. Ms. Tsippora Samet was elected to serve as an external director in the Bank, pursuant to the Companies Law, 1999, for a period of three years.

The terms of office of the candidates who were elected at the General Meeting are contingent on the approval or non-objection of the Supervisor of Banks of the Bank of Israel, which has not yet been received.

Executive Officers - Members of Management of Bank Leumi le-Israel B.M.

| Name | Business Address | Principal Occupation | Position | Citizenship |
|-------------------------|---|---|--------------------|-------------|
| Galia Maor | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | President and Chief Executive Officer | held with the Bank | Israeli |
| Rakefet Russak-Aminoach | 34 Yehuda Halevi | Senior Deputy Chief Executive Officer, Acting CEO in the absence of the President and CEO, and Head | | Israeli |

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| | | | |
|---------------|------------------|--|---------|
| | Street, Tel Aviv | of Corporate Division | |
| | 65546, Israel | | |
| Gideon Altman | 34 Yehuda Halevi | Head of Commercial Banking Division | Israeli |
| | Street, Tel Aviv | | |
| | 65546, Israel | | |
| Hedva Ber | 34 Yehuda Halevi | Chief Risk Officer, Head of Risk Management Division | Israeli |
| | Street, Tel Aviv | | |
| | 65546, Israel | | |

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| Name | Business Address | Principal Occupation | Position | Citizenship |
|---------------------|---|---|--|-------------|
| Dan Cohen | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | held with the Bank Head of Human Resources | Division | Israeli |
| Yaacov (Kobi) Haber | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Head of Finance and Economics | Division | Israeli |
| Zvi Itskovitch | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Head of International and Private | Banking Division | Israeli |
| Baruch Lederman | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Head of Banking Division | | Israeli |
| Itzhak Malach | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Head of Operations, Information | Systems and Administration Division | Israeli |
| Sasson Mordechay | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Chief Internal Auditor and Head of | Internal Audit Division | Israeli |
| Menachem Schwartz | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Chief Accounting Officer, Head of | Accounting Division | Israeli |
| Daniel Tsiddon | 34 Yehuda Halevi Street, Tel Aviv 65546, Israel | Head of Capital Markets Division | | Israeli |
| Nomi Sandhaus | 34 Yehuda Halevi | | | Israeli |

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Street, Tel Aviv

Chief Legal Advisor, Head of Legal
Division

65546, Israel

II. Information regarding Persons Controlling Bank Leumi le-Israel B.M. (the **Bank**)

No shareholder currently holds 10% or more of the means of control of the Bank. The Government of Israel on behalf of the State of Israel currently holds 6.028% of the issued share capital (6.46% of the voting rights) of the Bank.

Pursuant to Israeli law, the Government is required to avoid involvement in the ongoing management of the Bank's affairs, and the Bank shall not be deemed to be a corporation with governmental participation in its management for the purposes of any law and for all intents and purposes.

Further, under Israeli banking legislation, since September 2004 no person may control a banking corporation without receiving a control permit from the Bank of Israel, and no person may hold 5% or more of the means of control of a banking corporation without receiving a holding permit from the Bank of Israel (until that date, 10%). As of the date of this report, no such control permit has been granted to any of the Bank's shareholders.