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KOOR INDUSTRIES LTD
Form SC 13D/A
July 01, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 2)

ECTEL LTD.

(Name of Issuer)

ORDINARY SHARES, NIS 0.04 PAR VALUE

(Title of Class of Securities)

M29925100

(CUSIP Number)

Shlomo Heller
Koor Industries Ltd.
Telrad Building
14 Hamelacha Street
Park Afek
Rosh Ha'ayin, 48091, Israel
+972 3 900 8420

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

MAY 10, 2004

(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 Rule 13d-1(b)(3) or (4), check the following box [].

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CUSIP No. M29925100

SCHEDULE 13D

1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
 Telrad Networks Ltd.

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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS
N/A

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2 (d) OR 2 (e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Israel

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -
	8	SHARED VOTING POWER 1,619,032
	9	SOLE DISPOSITIVE POWER - 0 -
	10	SHARED DISPOSITIVE POWER 1,619,032

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,619,032

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

8.4%

14 TYPE OF REPORTING PERSON

CO

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No. M29925100

CUSIP

SCHEDULE 13D

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
M.A.G.M. Chemistry Holdings Ltd.

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2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
3	SEC USE ONLY
4	SOURCE OF FUNDS N/A
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)
6	CITIZENSHIP OR PLACE OF ORGANIZATION Israel
	7 SOLE VOTING POWER - 0 -
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8 SHARED VOTING POWER 2,318,414
	9 SOLE DISPOSITIVE POWER - 0 -
	10 SHARED DISPOSITIVE POWER 4,359,240*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,318,414
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.9%
14	TYPE OF REPORTING PERSON CO

* includes 2,040,826 shares held by Clal Electronics Industries Ltd., Ofer (Ships holding) Ltd., Isal Amlat Investments (1993) Ltd., D Partners (Israel) Limited Partnership, D Partners (BVI) L.P., Carmel Software Fund (Israel) L.P.,

Carmel Software Fund (Delaware) L.P., Carmel Software Fund (Cayman) L.P., Carmel Software Fund GbR, and Carmel V.C. Ltd. (acting for Siemens Venture Capital GmbH), by reason of an agreement among such shareholders not to dispose of certain Ordinary Shares of the Company held by all the parties to the agreement for one year as described in greater detail in Item 6 below, to which the Reporting Persons disclaim beneficial ownership.

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 No. M29925100 CUSIP SCHEDULE 13D

 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
 Koor Industries Ltd.

 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (a) (b)

 3 SEC USE ONLY

 4 SOURCE OF FUNDS
 N/A

 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
 REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

 6 CITIZENSHIP OR PLACE OF ORGANIZATION
 Israel

	7	SOLE VOTING POWER - 0 -
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER 3,937,446
	9	SOLE DISPOSITIVE POWER - 0 -
	10	SHARED DISPOSITIVE POWER 5,978,272*

 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 3,937,446

 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN
 SHARES

 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 20.3%

 14 TYPE OF REPORTING PERSON
 CO

* includes 2,040,826 shares held by Clal Electronics Industries Ltd., Ofer (Ships holding) Ltd., Isal Amlat Investments (1993) Ltd., D Partners (Israel) Limited Partnership, D Partners (BVI) L.P., Carmel Software Fund (Israel) L.P.,

Carmel Software Fund (Delaware) L.P., Carmel Software Fund (Cayman) L.P., Carmel Software Fund GbR, and Carmel V.C. Ltd. (acting for Siemens Venture Capital GmbH), by reason of an agreement among such shareholders not to dispose of certain Ordinary Shares of the Company held by all the parties to the agreement for one year as described in greater detail in Item 6 below, to which the Reporting Persons disclaim beneficial ownership.

ITEM 1. SECURITY AND ISSUER

This Amendment No. 2 relates to the Ordinary Shares, NIS 0.04 par value (the "Ordinary Shares"), of ECTel Ltd., a corporation organized under the laws of Israel (the "Company"), and amends the Schedule 13D, with an event date of October 1, 2001. The Schedule 13D is hereinafter referred to as the "Schedule." All capitalized terms used in this Amendment and otherwise undefined shall have the meanings ascribed in the Schedule.

This Amendment is filed in accordance with Rule 13d-2 of the Securities Exchange Act of 1934, as amended, by the reporting persons. It shall refer only to information that has materially changed since the filing of the Schedule.

ITEM 2. IDENTITY AND BACKGROUND

M.A.G.M. Chemistry Holdings Ltd. ("MAGM") is a corporation organized under the laws of Israel and a wholly owned subsidiary of Koor Industries Ltd. MAGM's principal business is a holding company. The address of MAGM's principal office is Telrad Building, 14 Hamelacha Street, Park Afek, Rosh Ha'ayin, Israel 48091. The name, residence or business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted and the citizenship of each executive officer and director of MAGM is set forth in Annex A to this Amendment.

During the last five years, none of the executive officers or directors of MAGM has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor were any of them a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Not applicable. See Item 5 below.

ITEM 4. PURPOSE OF TRANSACTION

See Item 5 below. Neither MAGM nor any of its executive officers or directors has any plans or proposals that related to or would result in: (a) the acquisition by any person of additional securities of the Company, or the

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disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange; (i) a class of equity securities of the Company becoming ineligible for termination of registration pursuant to Section 12(g)(4) of the Act; or (j) any action similar to any of those enumerated above.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

On May 10, 2004, ECI Telecom Ltd. ("ECI") distributed 7,600,000 Ordinary Shares as a dividend to ECI shareholders. MAGM is a shareholder of ECI and, accordingly, received 2,318,414 Ordinary Shares or 12.8% of the outstanding Ordinary Shares as a result of such dividend distribution. MAGM, Telrad Networks Ltd. ("Telrad") and Koor Industries Ltd., as a group, collectively hold 3,937,446 Ordinary Shares or 21.9% of the outstanding Ordinary Shares.

Since the most recent filing of the Schedule 13D, Telrad effected the following sales of Ordinary Shares in open market transactions on the NASDAQ National Market:

Date	No. of Shares Sold	Price Per Share	Total Price Received (1)
May 1, 2002	100	\$13.6	\$1,360
May 6, 2002	2,656	\$13.45	\$35,723
May 6, 2002	482	\$13.5	\$6,507
May 7, 2002	340	\$13.25	\$4,505
May 7, 2002	300	\$13.05	\$3,915
May 9, 2002	213	\$12.25	\$2,609
June 26, 2002	500	\$11.16	\$5,580
June 26, 2002	864	\$11.2	\$9,677
June 27, 2002	426	\$11.31	\$4,818
July 1, 2002	340	\$11.59	\$3,940
July 2, 2002	680	\$11.65	\$7,922
July 3, 2002	964	\$11.2	\$10,797
July 10, 2002	2,657	\$11.3	\$30,024

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July 10, 2002	680	\$11.65	\$7,922
July 15, 2002	680	\$11.05	\$7,514
July 17, 2002	500	\$11.32	\$5,660
July 23, 2002	425	\$10.77	\$4,577
October 1, 2002	10,000	\$8.2373	\$82,373
October 7, 2002	426	\$7.39	\$3,148
October 21, 2002	284	\$8.04	\$2,283
October 30, 2002	71	\$7.85	\$557
November 11, 2002	680	\$8.27	\$5,623
November 14, 2002	1,000	\$8.5	\$8,500
November 21, 2002	2,000	\$9.5	\$19,000
November 21, 2002	1,000	\$9.5	\$9,500
November 25, 2002	250	\$10.0	\$2,500
December 2, 2002	15,000	\$9.46	\$141,900
January 14, 2003	115	\$9.5	\$1,092
January 15, 2003	885	\$9.5	\$8,407
January 16, 2003	6,250	\$9.5	\$59,375
April 8, 2003	567	\$5.11	\$2,897
May 29, 2003	19,750	\$6.8	\$134,300
August 4, 2003	1,445	\$6.3179	\$9,129
August 11, 2003	425	\$5.5376	\$2,353
September 25, 2003	680	\$6.13	\$4,168

(1) Includes brokers' commissions.

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ITEM 6. CONTRACTS, AGREEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

On March 22, 2004 MAGM, Clal Electronics, Ofer (Ships holding) Ltd., Isal Amlat Investments (1993) Ltd., D Partners (Israel) Limited Partnership, D Partners (BVI) L.P., Carmel Software Fund (Israel) L.P., Carmel Software Fund (Delaware) L.P., Carmel Software Fund (Cayman) L.P., Carmel Software Fund GbR, and Carmel V.C. Ltd. (acting for Siemens Venture Capital GmbH) enter into an Agreement (the "Shareholders Agreement"). Under the Shareholders Agreement, the parties agreed not to dispose or enter into any transactions in connection with the potential disposition of the Ordinary Shares they receive in the dividend distribution described in Item 5 above during the twelve months following the

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date of such distribution, subject to certain exceptions, all as set forth in the Shareholders Agreement the full text of which is attached to this Schedule 13D as Exhibit 3 and is incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

- Exhibit 1: Joint Filing Agreement
- Exhibit 2: Power of Attorney
- Exhibit 3: Agreement dated March 22, 2004 between MAGM, Clal Electronics, Ofer (Ships holding) Ltd., Isal Amlat Investments (1993) Ltd., D Partners (Israel) Limited Partnership, D Partners (BVI) L.P., Carmel Software Fund (Israel) L.P., Carmel Software Fund (Delaware) L.P., Carmel Software Fund (Cayman) L.P., Carmel Software Fund GbR, and Carmel V.C. Ltd. (acting for Siemens Venture Capital GmbH).

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SIGNATURES

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

Dated: June 29, 2004

KOOR INDUSTRIES LTD.

By: /s/ Shlomo Heller

Name: Shlomo Heller
Title: General Counsel

TELRAD NETWORKS LTD.

By: /s/ Reuven Avi-Tal

Name: Reuven Avi-Tal
Title: Chief Executive Officer

M.A.G.M. CHEMISTRY HOLDINGS LTD.

By: /s/ Shlomo Heller /s/ Yuval Yanai

Name: Shlomo Heller; Yuval Yanai
Title: Director; Director

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ANNEX A

Name of Executive Officer/Director and Citizenship	Present Principal Occupation or Employment	Residence or Business Address
Yuval Yanai Israel	Chief Financial Officer, Koor Industries Ltd.	14 Hamelacha Street Park Afek Rosh Ha'ayin 48091 Israel
Yoel Shemesh Israel	Chief Accounting Department, Koor Industries Ltd.	14 Hamelacha Street Park Afek Rosh Ha'ayin 48091 Israel
Shlomo Heller Israel	General Counsel Koor Industries Ltd.	14 Hamelacha Street Park Afek Rosh Ha'ayin 48091 Israel