

AMPAL-AMERICAN ISRAEL CORP
 Form 4
 December 10, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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

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(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 YERUSHALMI JOSEPH

2. Issuer Name and Ticker or Trading Symbol
 AMPAL-AMERICAN ISRAEL CORP [AMPL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 12/08/2008

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O AMPAL-AMERICAN ISRAEL CORPORATION, 10 ABBA EVEN ST.

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction 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 Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction 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 (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Option (Right to Buy)	\$ 1.17	12/08/2008		A		180,000		<u>(1)</u>	12/07/2018	Class A Stock	180,000
Stock Option (Right to Buy)	\$ 3.12	12/08/2008		D		100,000		<u>(3)</u>	08/15/2012	Class A Stock	100,000
Stock Option (Right to Buy)	\$ 5.06	12/08/2008		D		80,000		<u>(4)</u>	12/11/2016	Class A Stock	80,000

Reporting Owners

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

Signatures

/s/ Joseph

Yerushalmi

12/10/2008

**Signature of Reporting Person

Date

Explanation of Responses:

* 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).

- This option vests becomes exercisable as follows: (i) option to purchase 135,000 shares is vested and exercisable on December 8, 2008
- (1) 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.
 - (2) 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.
 - (3) 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.

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- (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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.