

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **1999-03-26**
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SUBJECT COMPANY

ESC MEDICAL SYSTEMS LTD

CIK: **1004945** | IRS No.: **000000000** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-54169** | Film No.: **99573407**
SIC: **5047** Medical, dental & hospital equipment & supplies

Mailing Address
100 CRESENT ROAD
NEEDHAM MA 02194

Business Address
YOKNEAM INDUSTRIAL PK
YOKNEAM ISRAEL 20692 L5
00000
9729599000

FILED BY

TRANS RESOURCES INC

CIK: **810020** | IRS No.: **362729497** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **SC 13D/A**
SIC: **2810** Industrial inorganic chemicals

Mailing Address
9 WEST 57TH STREET
NEW YORK NY 10019

Business Address
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NEW YORK NY 10019
2128883044

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 3)*

ESC MEDICAL SYSTEMS LTD.
(Name of Issuer)

Ordinary Shares, NIS 0.10 par value per Share
(Title of Class of Securities)

M40868107
(CUSIP Number)

Edward Klimerman, Esq.
Rubin Baum Levin Constant & Friedman
30 Rockefeller Plaza, 29th Floor
New York, New York 10112
(212) 698-7700

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

March 24, 1999
(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 which is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.[]

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This Amendment No. 3 (the "Amendment") amends and supplements the Schedule 13D filed on October 9, 1998, as previously amended and restated by Amendment No. 1 filed on March 12, 1999 and further amended by Amendment No. 2 filed on March 23, 1999 (the "Schedule 13D"), on behalf of Mr. Arie Genger ("Genger"), TPR Investment Associates, Inc., a Delaware corporation ("TPR"), TPR's subsidiary, Trans-Resources, Inc., a Delaware corporation ("TRI"), TRI's indirect subsidiary, Haifa Chemicals Holdings Ltd., a company incorporated in the State of Israel ("HCH"; Genger and said corporations, all of which are directly or indirectly controlled by Genger, being collectively called the "TRI Entities"), and Mr. Thomas G. Hardy ("Hardy"; Hardy and the TRI Entities being collectively called the "Reporting Persons") with respect to the Ordinary Shares, par value NIS 0.10 per share (the "Shares"), of ESC Medical Systems Ltd., a company incorporated in the State of Israel (the "Issuer"). The Reporting Persons are filing this Amendment to update the information with respect to the Reporting Persons' purposes and intentions with respect to the Shares.

Item 4. Purpose of Transaction.

Item 4 of the schedule 13D is hereby amended and supplemented as follows:

As previously set forth in Genger's and Mr. Barnard J. Gottstein's ("BG") letters to the legal representative of the Issuer, dated March 11, 1999 and March 22, 1999 (copies of which were previously attached as Exhibit 4 and Exhibit 6, respectively, to the Schedule 13D), Genger and BG have proposed a restructuring of the current Board of Directors of the Issuer (the "Board") by replacing two management directors (other than the Chairman, President and Chief Executive Officer of the Issuer (the "Chairman")) and one non-management director selected by the Board (other than Hardy), with three directors nominated by Genger and BG and by increasing the number of directors by one director, with such new director being nominated by Genger and BG. The effect of such proposal would be that the Board would then have nine directors, consisting of the Chairman, four existing directors and four new directors nominated by Genger and BG.

On March 24, 1999, the legal representative of Genger and BG received a letter from the legal representative of the Issuer, informing them that the Board is prepared to consider nominating to the Board only two of the four directors proposed by Genger and BG, and that the Board is prepared to propose

nominating two of its own selected directors to the Board. A copy of the letter is attached hereto as Exhibit 7.

On March 24, 1999, the legal representative of Genger and BG sent a response letter to the legal representative of the Issuer, declining to modify Genger's and BG's proposal to restructure the Board. In the letter, Genger and BG noted, however, that the Board is free to substitute the Board's two nominees for two existing non-management directors if it so chooses, but that Genger and BG would continue to propose that the Board replace three of its current directors (as previously discussed above) with their four nominated directors, resulting in a Board

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consisting of nine directors. Pursuant to the letter, Genger and BG gave the Issuer until the close of business on March 25, 1999, Los Angeles time, to accept their proposal. A copy of the letter is attached hereto as Exhibit 8. However, Genger and BG were notified by the legal representative of the Issuer that the Issuer would not be able to respond by such time.

The letter further indicated that, failing such acceptance, Genger and BG intend to take all steps necessary to convene an extraordinary general meeting of shareholders pursuant to Section 109 of Israel Companies Ordinance for the purpose of removing all of the current directors (other than Hardy and possibly the Chairman), and fill all vacancies then existing with the four nominees named in their proposal, together with such additional nominees as may be necessary to fill all vacancies.

In addition, on March 24, 1999, the legal representative of Genger and BG sent a letter addressed to the Chairman and to the Vice President and Chief Financial Officer of the Issuer, notifying them that Genger and BG were exercising their right under Section 65 of the Israel Companies Ordinance to review and make copies of the Issuer's Register of Members. A copy of such letter is attached hereto as Exhibit 9. Genger and BG have been informed by the Issuer that its Register of Members is not current.

Genger and BG intend to continue to have discussions with other shareholders of the Issuer regarding their proposal and to seek shareholder support.

Other than as described above and as previously described in the Schedule 13D, the Reporting Persons do not have any present plans or proposals which relate to or would result in

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(although they reserve the right to develop such plans or proposals) any transaction, change or event specified in clauses (a) through (j) of Item 4 of the form of Schedule 13D.

Item 7. Materials to be Filed as Exhibits.

Item 7 of the Schedule 13D is hereby amended to add the following exhibits:

- Exhibit 7: Letter, dated March 24, 1999, from the legal representative of the Issuer to the legal representative of Genger and BG.
- Exhibit 8: Letter, dated March 24, 1999, from the legal representative of Genger and BG to the legal representative of the Issuer.
- Exhibit 9: Letter, dated March 24, 1999, from the legal representative of Genger and BG to the Chairman, President and Chief Executive Officer of the Issuer and to the Vice President and Chief Financial Officer of the Issuer.

SIGNATURES

After reasonable inquiry and to the best of the undersigned's knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

/s/ Arie Genger

Arie Genger

TPR INVESTMENT ASSOCIATES, INC.

By:/s/ Arie Genger

Arie Genger,
President

TRANS-RESOURCES, INC.

By:/s/ Arie Genger

Arie Genger,
Chairman of the Board

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HAIFA CHEMICALS HOLDINGS LTD. (1)

By:/s/ Arie Genger

Arie Genger

/s/ Thomas G. Hardy
Thomas G. Hardy

(1) PURSUANT TO POWER OF ATTORNEY

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Joe Giunta, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue

Los Angeles, CA 90071-3144

March 24, 1999
Our File No. 358

Re: ESC Medical Systems Ltd.

Dear Joe:

Further to our conversation last night, and further to the desire of the ESC Board of Directors to make a good faith effort to reach a compromise to avoid an unnecessary proxy battle and the resulting damage to the company, the Board is prepared to consider the proposal to expand the Board of Directors. Of the directors you proposed, Mr. Dovrat is known to members of the Board and could be a valuable addition to the Board of Directors. Mr Friedman appears, based on the material received, a person that can also make a considerable contribution. The Board would be interested in interviewing these two gentlemen for the purpose of considering their nomination to the Board.

In addition the Board is prepared to propose the nomination of Mr. Dan Barnea to the Board of Directors and Dr. Moti Beyer has also indicated his willingness to be appointed to the Board. Both Mr. Barnea and Dr. Beyer are highly experienced in the field of medical devices and have very successful business track records. Neither Mr. Barnea nor Dr. Beyer are affiliated with ESC, its management or any of the members of the Board. Background information is attached.

I look forward to receiving your views to the possible addition of Mr. Barnea and Dr. Beyer and hopefully we can put this matter behind us and allow the company's management and Board to apply their full attention to the business of the company.

Best regards,

/s/ Gene Kleinhendler, Adv.

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BACKGROUND INFORMATION RE: BOARD'S PROPOSED DIRECTORS

(RESUMES INTENTIONALLY OMITTED)

1. Dan Barnea

March 24, 1999

VIA FACSIMILE

Mr. Gene Kleinhendler
Kleinhendler & Halevy
30 Kalisher St
Tel Aviv, Israel 65257

Re: ESC Medical Systems Ltd. (the "Company")

Dear Gene:

We are in receipt of your letter dated March 24, 1999. Messrs. Genger and Gottstein have carefully considered the Company's proposed substitutions of two nominees to the Board of Directors in lieu of two of the nominees of Messrs. Genger and Gottstein. After such consideration, Mr. Genger and Mr. Gottstein have declined to modify their proposal. They note, however, that the directors of the Board are free to substitute its two nominees for two existing non-management directors if they so choose. Mr. Genger and Mr. Gottstein also want to emphasize that the two outside, independent directors of Trans-Resources, Inc. proposed by them, Mr. Spencer and Mr. Tadmor, are not employees of Trans-Resources, Inc. and in no way can these individuals be considered to be persons under the control of Mr. Genger. In any event, these two individuals, together with Mr. Hardy, would constitute less than a majority of the Company's Board of Directors as proposed to be restructured.

As two of the Company's largest shareholders, Messrs. Genger and Gottstein believe that the Company's shareholders should have the right to a Board of Directors which include representatives that are acceptable to them, and a majority of which are not beholden to current management in any way. Furthermore, they believe that it is not the exclusive province of the Board of Directors to determine the entire composition of the Board. The events that have occurred during recent months and weeks, including the significant deterioration in market value of the Company's stock and its profitability, have further convinced Mr. Genger and Mr. Gottstein that the Board needs to be restructured. Additionally, in light of the Board of Directors' recent actions, it has become apparent that there will be a need for the restructured Board of Directors to evaluate whether changes and/or additions to management, including the possible replacement of the chief executive, are necessary or desirable. Mr. Genger's and Mr. Gottstein's current proposal is the minimum that they will accept in terms of restructuring the Board.

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Accordingly, failing your acceptance of Messrs. Genger's and

Gottstein's proposal by the close of business on March 25, 1999, Los Angeles time, Mr. Genger and Mr. Gottstein intend to take all steps necessary to convene an extraordinary general meeting of shareholders pursuant to Section 109 of the Israel Companies Ordinance for the purpose of replacing all of the current directors (other than Mr. Hardy and possibly Mr. Eckhouse) with their proposed nominees. We reiterate, however, that it is not Mr. Genger's nor Mr. Gottstein's intention to control the Company, but rather to restructure the Board of Directors with an independent Board that can honestly evaluate the Company's strengths and weaknesses, restore profitability and credibility to the Company and enhance the ability of the Company to maximize shareholder value.

We await your reply.

Very truly yours,

/s/ Joseph J. Giunta

cc: Arie Genger
Barnard J. Gottstein

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Tel-Aviv, March 24, 1999

By facsimile No: 04-9599050

ESC Medical Systems Ltd.
Industrial Park
P.O. Box 240
Yokneam 20692

Attention: Dr. Shimon Eckhouse
President and CEO
Chairman of the Board

Karen Sarid
Vice President and
Chief Financial Officer

Dear Sir and Madam,

Re: Review of Register of Members

This firm represents certain shareholders of ESC Medical Systems Ltd. ("ESC"), including Mr. Arie Genger, TPR Investment Associates, Inc., Trans-Resources, Inc., Haifa Chemicals Holdings Ltd., Barnard Jacob Gottstein TTEE and Barnard J Gottstein Revocable Living Trust (collectively, the "Shareholders"), and have been instructed by the Shareholders to review and make copies of ESC's Register of Members, pursuant to their right under Section 65 of the Companies Ordinance [New Version], 1983.

We wish to inform you that a representative of this firm will come to your principal office tomorrow, March 25, 1999, during early afternoon, to perform the said review.

Very truly yours,

/s/ Michael Zellermayer, Adv

cc: Mr. Arie Genger
Barnard Jacob Gottstein
TPR Investment Associates, Inc.
Trans-Resources, Inc.
Haifa Chemicals Holdings Ltd.

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