

# 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]

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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.: **99573274**  
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

#### GOTTSTEIN BARNARD J

CIK: **1071874**  
Type: **SC 13D/A**

Mailing Address  
C/O CARR GOTTSTEIN  
PROPERTIES  
550 WEST 7TH AVENUE  
SUITE 1540  
ANCHORAGE AK 99501

Business Address  
C/O CARR GOTTSTEIN  
PROPERTIES  
550 WEST 7TH AVE SUITE  
1540  
ANCHORAGE AL 99501  
9072782277

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13d-2(a)

(Amendment No. 4)

ESC Medical Systems Ltd.  
(Name of Issuer)

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

M40868107  
(CUSIP Number)

Barnard J. Gottstein  
Carr-Gottstein Properties  
550 West 77th Avenue, Suite 1540  
Anchorage, Alaska 99501  
(907) 278-2277

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

with a copy to:

Joseph J. Giunta, Esq.  
Skadden, Arps, Slate, Meagher & Flom LLP  
300 South Grand Avenue, Suite 3400  
Los Angeles, California 90071-3144  
(213) 687-5000

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 that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check

CUSIP No. M40868107

13D

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This Amendment No. 4 (the "Amendment") amends and supplements the Statement on Schedule 13D, dated September 29, 1998, as amended by Amendment No. 1, dated January 15, 1999, Amendment No. 2, dated March 9, 1999, and Amendment No. 3, dated March 22, 1999 (the "Original Schedule 13D"), relating to the Ordinary Shares, par value NIS 0.10 per share (the "Shares"), of ESC Medical Systems Ltd., an Israeli corporation (the "Company"). Each of the Barnard J. Gottstein Revocable Trust, Barnard J. Gottstein, as trustee of the Barnard J. Gottstein Revocable Trust, and Barnard J. Gottstein, as an individual (collectively, 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 Original Schedule 13D is hereby amended and supplemented as follows:

As previously set forth in Messrs. Genger's and Gottstein's letters to the legal representative of the Company, dated March 11, 1999 and March 22, 1999 (copies of which were previously attached as Exhibit 1 and Exhibit 2, respectively, to the Original Schedule 13D), Messrs. Genger and Gottstein have proposed a restructuring of the current Board of Directors of the Company (the "Board") by replacing two management directors (other than the Chairman, President and Chief Executive Officer of the Company (the "Chairman")) and one non-management director selected by the Board (other than the representative of Trans-Resources, Inc.), with three directors nominated by Messrs. Genger and Gottstein and by increasing the number of directors by one director, with such new director being nominated by Messrs. Genger and Gottstein. 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 Messrs. Genger and Gottstein.

On March 24, 1999, the legal representative of Messrs. Genger and Gottstein received a letter from the legal representative of the Company, informing them that the Board is prepared to consider nominating to the Board only two of the four directors proposed by Messrs. Genger and Gottstein, 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 3.

On March 24, 1999, the legal representative of Messrs. Genger and

Gottstein sent a response letter to the legal representative of the Company, declining to modify Messrs. Genger's and Gottstein's proposal to restructure the Board. In the letter, Messrs. Genger and Gottstein 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 Messrs. Genger and Gottstein 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 consisting of nine directors. Pursuant to the letter, Messrs. Genger and Gottstein gave the Company 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 4. However, Messrs. Genger and Gottstein were notified by the legal representative of the Company that the Company would not be able to respond by such time.

The letter further indicated that, failing such acceptance, Messrs. Genger and 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 removing all of the current directors (other than the representative of Trans-Resources, Inc. 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 Messrs. Genger and Gottstein sent a letter addressed to the Chairman and to the Vice President and Chief Financial Officer of the Company, notifying them that Messrs. Genger and Gottstein were exercising their right under Section 65 of the Israel Companies Ordinance to review and make copies of the Company's Register of Members. A copy of such letter is attached hereto as Exhibit 5. Messrs. Genger and Gottstein have been informed by the Company that its Register of Members is not current.

Messrs. Genger and Gottstein intend to continue to have discussions with other shareholders of the Company regarding their proposal and to seek shareholder support.

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

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

Exhibit 3: Letter, dated March 24, 1999, from the legal representative of the Company to the legal representative of Messrs. Genger and Gottstein

Exhibit 4: Letter, dated March 24, 1999, from the legal representative of Messrs. Genger and Gottstein to the legal representative of the Company

Exhibit 5: Letter, dated March 24, 1999, from the legal representative of Messrs. Genger and Gottstein to the Chairman, President and Chief Executive Officer of the Company and to the Vice President and Chief Financial Officer of the Company

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.

Dated: March 25, 1999

/s/ Barnard J. Gottstein

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Barnard J. Gottstein  
Individually and as Trustee of  
the Barnard J. Gottstein  
Revocable Trust

BARNARD J. GOTTSTEIN REVOCABLE TRUST

/s/ Barnard J. Gottstein

-----  
Barnard J. Gottstein  
Trustee

EXHIBIT INDEX

| Exhibit<br>Number<br>----- | Title<br>-----   | Page<br>---- |
|----------------------------|--|--------------|
| 3                          | Letter, dated March 24, 1999,<br>from the legal representative | 7            |

of the Company to the legal  
representative of Messrs.  
Genger and Gottstein

- |   |  |    |
|---|--|----|
| 4 | Letter, dated March 24, 1999,<br>from the legal representative<br>of Messrs. Genger and<br>Gottstein to the legal<br>representative of the Company   | 9  |
| 5 | Letter, dated March 24, 1999,<br>from the legal representative<br>of Messrs. Genger and<br>Gottstein to the Chairman,<br>President and Chief Executive<br>Officer of the Company and to<br>the Vice President and Chief<br>Financial Officer of the<br>Company | 11 |

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.

Background Information re: Board's Proposed Directors

(resumes intentionally omitted)

1. Dan Barnea
2. Motti Beyar



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.

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

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 Zeller Mayer, Adv.

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

