

MAGAL SECURITY SYSTEMS LTD
Form SC 13D/A
August 20, 2014

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

SCHEDULE 13D/A
(Amendment No. 14)*

Under the Securities Exchange Act of 1934

MAGAL SECURITY SYSTEMS LTD.
(Name of Issuer)

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

M6786D 10 4
(CUSIP Number)

Steven J. Glusband
Carter Ledyard & Milburn LLP
2 Wall Street, New York, New York 10005
(212) 732-3200
(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

July 30, 2014
(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 §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box " .

Note: Schedules filed in paper format will 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 will 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 will 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 will be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. M6786D 10 4

1 NAME OF REPORTING PERSON: Mr. Nathan Kirsh

2 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not Applicable
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS: PF, WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION: Swaziland

NUMBER OF	7	SOLE VOTING POWER: 0
SHARES		
BENEFICIALLY	8	SHARED VOTING POWER: 7,107,290 Ordinary Shares*
OWNED BY EACH		
REPORTING	9	SOLE DISPOSITIVE POWER: 0
PERSON WITH		
	10	SHARED DISPOSITIVE POWER: 7,107,290 Ordinary Shares*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,107,290
Ordinary Shares

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 44.01%

14 TYPE OF REPORTING PERSON: IN

* The Eureka Foundation is a Liechtenstein trust controlled by Nathan Kirsh, who is also the trustee of such entity. The Eureka Foundation holds 100% of the shares of Ki Corporation Limited. Ki Corporation Limited directly holds 7,107,290 ordinary shares of the Issuer. Accordingly, Mr. Kirsh may be deemed to have the sole voting and dispositive power as to the 7,107,290 ordinary shares of the Issuer held by Ki Corporation Limited.

CUSIP No. M6786D 10 4

1 NAME OF REPORTING PERSON: The Eurona Foundation
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not Applicable
 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:(a)
 (b)

3 SEC USE ONLY
 4 SOURCE OF FUNDS: WC
 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 ITEMS 2(d) or 2(e):
 6 CITIZENSHIP OR PLACE OF ORGANIZATION: Liechtenstein

NUMBER OF	7	SOLE VOTING POWER: 0
SHARES		
BENEFICIALLY	8	SHARED VOTING POWER: 7,107,290 Ordinary Shares*
OWNED BY EACH		
REPORTING	9	SOLE DISPOSITIVE POWER: 0
PERSON WITH		
	10	SHARED DISPOSITIVE POWER: 7,107,290 Ordinary Shares*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,107,290
 Ordinary Shares
 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:
 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 44.01%
 14 TYPE OF REPORTING PERSON: OO

* The Eurona Foundation is a Liechtenstein trust controlled by Nathan Kirsh, who is also the trustee of such entity. The Eurona Foundation holds 100% of the shares of Ki Corporation Limited. Ki Corporation Limited directly holds 7,107,290 ordinary shares of the Issuer. Accordingly, Mr. Kirsh may be deemed to have the sole voting and dispositive power as to the 7,107,290 ordinary shares of the Issuer held by Ki Corporation Limited.

CUSIP No. M6786D 10 4

1 NAME OF REPORTING PERSON: Ki Corporation Ltd.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY): Not Applicable

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

3 SEC USE ONLY

4 SOURCE OF FUNDS: WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
 ITEMS 2(d) or 2(e):

6 CITIZENSHIP OR PLACE OF ORGANIZATION Jersey, Channel Islands

NUMBER OF	7	SOLE VOTING POWER: 0
SHARES		
BENEFICIALLY	8	SHARED VOTING POWER: 7,107,290 Ordinary Shares*
OWNED BY EACH		
REPORTING	9	SOLE DISPOSITIVE POWER: 0
PERSON WITH		
	10	SHARED DISPOSITIVE POWER: 7,107,290 Ordinary Shares*

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 7,107,290
 Ordinary Shares

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 44.01%

14 TYPE OF REPORTING PERSON: CO

* The Eurona Foundation is a Liechtenstein trust controlled by Nathan Kirsh, who is also the trustee of such entity. The Eurona Foundation holds 100% of the shares of Ki Corporation Limited. Ki Corporation Limited directly holds 7,107,290 ordinary shares of the Issuer. Accordingly, Mr. Kirsh may be deemed to have the sole voting and dispositive power as to the 7,107,290 ordinary shares of the Issuer held by Ki Corporation Limited.

SCHEDULE 13D/A

This Amendment No. 14 is filed by Mr. Nathan Kirsh, The Eureka Foundation (the "Foundation") and Ki Corporation Limited ("Ki Corporation") (collectively, the "Reporting Persons") pursuant to Rule 13d-2 of the Securities Exchange Act of 1934 and amends the initial Statement on Schedule 13D filed by the Reporting Persons on July 24, 2003 as last amended by Amendment No. 13 filed on February 11, 2013 (the initial Schedule 13D and together with the Amendments, the "Statement").

The Statement relates to the ordinary shares, NIS 1.0 par value ("Ordinary Shares"), of Magal Security Systems, Ltd., an Israeli corporation (the "Issuer"), whose principal executive offices are located at 17 Altalef Street, Yahud Industrial Zone, 56100, Israel.

Item 3. Purpose of Transaction.

ITEM 3 OF THIS STATEMENT IS HEREBY AMENDED TO ADD THE FOLLOWING:

On July 30, 2014, Ki Corporation entered into an agreement (the "Agreement") pursuant to which Ki Corporation agreed to sell to FIMI Israel Opportunity V, L.P. (the "Purchaser") 6,461,290 Ordinary Shares (the "Purchased Shares") for a purchase price of \$3.50 per share or \$22,614,515 in the aggregate, subject to the approval of the Israeli Restrictive Practices Commissioner. The agreement is expected to close in the third quarter of this year. The agreement provides that if the Purchaser sells any or all of the Purchased Shares, in one or a series of transactions, in consideration for cash and the aggregate U.S. Dollar equivalent amount it receives upon such sale(s) (the "Realization Amounts") is greater than US\$ 45,229,030, then the Purchaser shall pay to Ki Corporation 20% of the excess of the Realization Amounts received by it over US\$ 45,229,030; provided however, that such compensation (the "Earn Out Amount") shall not exceed an aggregate of US\$ 6,461,290. The Earn Out Amount will be payable by the Purchaser within 14 days of such time(s) as Ki Corporation becomes entitled to such amount.

Item 5. Interest in Securities of the Issuer.

ITEM 5 OF THIS STATEMENT IS HEREBY AMENDED AND RESTATED TO READ IN ITS ENTIRETY AS FOLLOWS:

- (a) The Reporting Persons are the beneficial owners of 7,107,290 Ordinary Shares of the Issuer held of record by Ki Corporation, or approximately 44.01% of the 16,147,522 Ordinary Shares of the Issuer's issued and outstanding shares as of August 4, 2014.
- (b) The Reporting Persons have shared power to vote or direct the vote and the shared power to dispose or direct the disposition of the 7,107,290 Ordinary Shares currently beneficially owned by the Reporting Persons.
- (c) Except as previously described in Item 3 above, no transactions in the Common Shares have been effected by the Reporting Persons during the past 60 days.
- (d) No person other than the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares reported above in this Item 5.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as otherwise described Item 3 herein, no contracts, arrangements, understandings or similar relationships exist with respect to the securities of the Issuer between the Reporting Persons and the Purchaser.

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Item 7. Material to be Filed as Exhibits.

Exhibit 1 Agreement dated July 30, 2014

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SIGNATURES

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

Date: August 20, 2014

/s/Nathan Kirsh
Mr. Nathan Kirsh

The Eurona Foundation

/s/Nathan Kirsh

By: Nathan Kirsh
Title: Trustee

Ki Corporation Limited

/s/Nathan Kirsh

By: Nathan Kirsh
Title: Director

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income income derivatives OCI into income OCI into income on derivatives on derivatives
Forwards contracts
¥3,334 Other income (expenses), net:
Other, net ¥1,606 ¥
Interest rate swaps, cross-currency swaps and interest rate cap agreements
(127)

Total
¥3,207 ¥1,606 ¥

Millions of yen
Three months ended
June 30, 2009

	Amount of gains (losses) recognized in OCI on derivatives	Effective portion	Amount of gains (losses) reclassified from accumulated OCI into income	Ineffective portion and amount excluded from effectiveness testing	
		Location of gains (losses) reclassified from accumulated OCI into income		Location of gains (losses) recognized in income on derivatives	Amount of gains (losses) recognized in income on derivatives
Forwards contracts	¥ (734)	Other income (expenses), net: Other, net	¥ (74)		¥
Interest rate swaps, cross-currency swaps and interest rate cap agreements	(18)				
Total	¥ (752)		¥ (74)		¥

* OCI stands for other comprehensive income (loss).

Derivative instruments not designated as hedging instruments relationships

	Millions of yen Three months ended June 30, 2010	
	Location of gains (losses) recognized in income on derivatives	Amount of gains (losses) recognized in income on derivatives
Forwards contracts	Other income (expenses), net: Other, net ¥	1,963
Option contracts	Other income (expenses), net: Other, net	(9)
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Cost of sales	(149)
	Other income (expenses), net: Other, net	3,251
Total	¥	5,056

	Millions of yen Three months ended June 30, 2009	
	Location of gains (losses) recognized in income on derivatives	Amount of gains (losses) recognized in income on derivatives
Forwards contracts	Other income (expenses), net: Other, net ¥	(117)
Option contracts	Other income (expenses), net: Other, net	4
Interest rate swaps, cross-currency swaps and interest rate cap agreements	Cost of sales	(82)
	Other income (expenses), net: Other, net	(937)
Total	¥	(1,132)

9. The Fair Value of Financial Instruments

(1) Cash and Cash Equivalents, Time Deposits, Trade Notes and Accounts Receivable, Other Current Assets, Short-Term Debt, Trade Notes, Bills and Accounts Payables, and Other Current Liabilities

The carrying amount approximates fair value because of the short maturity of these instruments.

(2) Investment Securities, Marketable Equity Securities

The fair values of investment securities available for sale for which it is practicable to estimate fair value are based on quoted market prices and are recognized on the accompanying consolidated balance sheets.

(3) Long-Term Trade Receivables, Including Current Portion

The fair values of long-term trade receivables are based on the present value of future cash flows through maturity, discounted using estimated current interest rates. The fair values computed on such a basis approximate the carrying amounts.

(4) Long-Term Debt, Including Current Portion

The fair values of each of the long-term debts are based on the quoted price in the most active market or the present value of future cash flows associated with each instrument discounted using the current borrowing rate for similar debt of comparable maturity.

(5) Derivatives

The fair values of derivative financial instruments, consisting principally of foreign exchange contracts and interest swaps agreements, are estimated by obtaining quotes from brokers and are recognized on the accompanying consolidated balance sheets.

The carrying amounts and the estimated fair values of the financial instruments, including financial instruments not qualifying as hedge, at June 30, 2010 and at March 31, 2010, are summarized as follows:

	Millions of yen			
	June 30, 2010		March 31, 2010	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Investment securities, marketable equity securities	¥ 41,580	¥ 41,580	¥ 47,178	¥ 47,178
Long-term debt, including current portion	458,033	456,313	462,941	460,916
Derivatives:				
Forwards and options				
Assets	3,340	3,340	181	181
Liabilities	493	493	2,078	2,078
Interest rate swaps, cross-currency swaps and interest rate cap agreements				
Assets	13,041	13,041	9,172	9,172
Liabilities	2,467	2,467	2,550	2,550

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could affect the estimates.

10. Fair value measurements

Financial Accounting Standards Board Accounting Standard Codification (ASC) 820, Fair Value Measurements and Disclosures defines that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3 Unobservable inputs for the assets or liabilities

Assets and liabilities that are measured at fair value on a recurring basis

The fair value hierarchy levels of assets and liabilities that are measured at fair value on a recurring basis at June 30, 2010 and at March 31, 2010 are as follows:

June 30, 2010	Millions of yen			Total
	Level 1	Level 2	Level 3	
Assets				
Investment securities available for sale				
Manufacturing industry	¥ 23,319	¥	¥	¥ 23,319
Financial service industry	16,329			16,329
Other	1,932			1,932
Derivatives				
Forward contracts		3,334		3,334
Option contracts		6		6
Interest rate swaps, cross-currency swaps and interest rate cap agreements		13,041		13,041
Other				
Total	¥ 41,580	¥ 16,381	¥	¥ 57,961
Liabilities				
Derivatives				
Forward contracts	¥	¥ 493	¥	¥ 493
Interest rate swaps, cross-currency swaps and interest rate cap agreements		2,467		2,467
Other		22,781	1,492	24,273
Total	¥	¥ 25,741	¥ 1,492	¥ 27,233
March 31, 2010				
Assets				
Investment securities available for sale				
Manufacturing industry	¥ 26,147	¥	¥	¥ 26,147
Financial service industry	18,935			18,935
Other	2,096			2,096
Derivatives				
Forward contracts		163		163
Option contracts		18		18
Interest rate swaps, cross-currency swaps and interest rate cap agreements		9,172		9,172
Other				
Total	¥ 47,178	¥ 9,353	¥	¥ 56,531
Liabilities				
Derivatives				
Forward contracts	¥	¥ 2,078	¥	¥ 2,078
		2,550		2,550

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Interest rate swaps, cross-currency swaps and
interest rate cap agreements

Other		22,839		2,280		25,119	
Total	¥	¥	27,467	¥	2,280	¥	29,747

Investment securities available for sale

Marketable equity securities are classified in Level 1 in the fair value hierarchy. Marketable equity securities are measured using a market approach based on the quoted market prices in active markets.

Derivatives

Derivatives primarily represent foreign exchange contracts and interest rate swap agreements. The fair value of foreign exchange contracts is based on a valuation model that discounts cash flows resulting from the differential between contract rate and the market-based forward rate and is classified in Level 2 in the fair value hierarchy. The fair value of interest rate swap agreements is based on a valuation model that discounts cash flows based on the terms of the contract and the swap curves and is classified in Level 2 in the fair value hierarchy.

Other

Other primarily represents loans which are measured at fair value and the retained interests in securitizations of accounts receivables. The fair value of loans is based on a valuation model based on market yield curve data and credit spread data and is classified in Level 2 in the fair value hierarchy. The credit spread data was obtained through use of credit default swaps for each counterparty. The fair value of retained interest in securitizations of accounts receivables is based on a valuation model using the present value of expected future cash flows using discount, prepayment and loss rates based on current market conditions and the historical performance of comparable receivables and is classified in Level 3 in the fair value hierarchy.

The following table summarizes information about changes of Level 3 for the three months ended June 30, 2010 and 2009.

	Millions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2009
Balance, beginning of year	¥ (2,280)	¥ 919
Total gains or losses (realized / unrealized)	302	592
Included in earnings	210	606
Included in other comprehensive income (loss)	92	(14)
Purchases, issuances and settlements	486	(1,493)
Balance, end of period	¥ (1,492)	¥ 18

The amounts of unrealized gains on classified in Level 3 assets and liabilities recognized in earnings for the three months ended June 30, 2010 and 2009 related to assets and liabilities still held at June 30, 2010 and 2009 were gains of ¥210 million and ¥606 million, respectively. These gains were reported in other income (expenses), net of the consolidated statements of income.

Assets and liabilities that are measured at fair value on a non-recurring basis

During three months ended June 30, 2010, assets and liabilities that were measured at fair value on a non-recurring basis were not material.

During three months ended June 30, 2009, there were no assets and liabilities that were measured at fair value on a non-recurring basis.

11. Committed Credit Lines

Certain consolidated subsidiaries maintain committed credit line agreements totaling ¥45,298 million and ¥50,082 million, respectively, at June 30, 2010 and at March 31, 2010 with financial institutions to secure liquidity. At June 30, 2010 and at March 31, 2010, ¥22,000 million and ¥23,741 million, respectively, were available to be used under such credit line agreements.

12. Dividends

Payment amount of dividends

Resolution	Type of stock	Aggregate amount of dividends (Millions of yen)
Ordinary general meeting of shareholders held on June 23, 2010	Common stock	7,748

Resource of dividends	Dividend per share (Yen)	Record date	Effective date
Retained earnings	8	March 31, 2010	June 24, 2010

Note: Amounts are rounded down to nearest million yen.

13. Business Segment Information

Komatsu has two operating segments: 1) Construction, Mining and Utility Equipment 2) Industrial Machinery and Others.

Segment profit is determined by Management in a manner that is consistent with Japanese accounting principles by subtracting the cost of sales and selling, general and administrative expenses from net sales attributed to the operating segment. Segment profit excludes certain general corporate administration and finance expenses, such as costs of executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal and public relations. Segment profit also excludes certain non-recurring charges which may otherwise relate to operating segments, including impairments of long lived assets and goodwill.

Operating segments:

	Millions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2009
Net sales:		
Construction, Mining and Utility Equipment		
Customers	¥ 405,206	¥ 284,695
Intersegment	438	786
Total	405,644	285,481
Industrial Machinery and Others		
Customers	41,934	35,733
Intersegment	2,303	4,043
Total	44,237	39,776
Elimination	(2,741)	(4,829)
Consolidated	¥ 447,140	¥ 320,428
Segment profit:		
Construction, Mining and Utility Equipment	¥ 54,265	¥ 7,437
Industrial Machinery and Others	2,035	2,877
Total	56,300	10,314
Corporate expenses and elimination	(1,963)	(1,845)
Consolidated segment profit	54,337	8,469
Other operating income (expenses), net	(262)	(196)
Operating income	54,075	8,273
Interest and dividend income	1,021	1,859
Interest expense	(1,669)	(2,731)
Other, net	(3,323)	1,327

Consolidated income before income taxes and equity in earnings of affiliated companies	¥	50,104	¥	8,728
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Business categories and principal products and services included in each operating segment are as follows:

a. Construction, Mining and Utility Equipment:

Excavating equipment, loading equipment, grading and roadbed preparation equipment, hauling equipment, forestry equipment, tunneling machines, recycling equipment, industrial vehicles, other equipment, engines and components, casting products and logistics

b. Industrial Machinery and Others:

Metal forging and stamping presses, sheet-metal machines, machine tools, defense systems, temperature-control equipment and others

Transfers between segments are made at estimated arm's-length prices.

Geographic information:

Net sales to customers recognized by sales destination for the three months ended June 30, 2010 and 2009 are as follows:

	Millions of Yen	
	Three months ended June 30, 2010	Three months ended June 30, 2009
Net sales to customers:		
Japan	¥ 71,425	¥ 68,759
The Americas	101,576	80,377
Europe and CIS	39,752	36,064
China	114,892	59,414
Asia* and Oceania	98,019	57,651
Middle East and Africa	21,476	18,163
Consolidated net sales	¥ 447,140	¥ 320,428

* Excluding Japan and China

Net sales to customers recognized by geographic origin for the three months ended June 30, 2010 and 2009 are as follows:

	Millions of yen	
	Three months ended June 30, 2010	Three months ended June 30, 2009
Net sales to customers:		
Japan	¥ 133,798	¥ 110,428
U.S.A.	100,924	74,985
Europe and CIS	42,949	34,082
China	96,040	50,966

Others	73,429	49,967
Consolidated net sales	¥ 447,140	¥ 320,428

From the current fiscal year, Komatsu divided net sales to customers in China from net sales to customers in Others. Net sales to customers recognized by geographic origin for the three months ended June 30, 2009 have been reclassified according to the presentation for the three months ended June 30, 2010.

No individual country within Europe and CIS or Others had a material impact on net sales.

No single major external customer had a material impact on net sales.

14. Subsequent Event

There was no significant subsequent event to be disclosed.