

VeriFone Holdings, Inc.
Form S-4/A
August 08, 2006

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As filed with the Securities and Exchange Commission on August 8, 2006

Registration No. 333-134928

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

Amendment No. 2

to

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

VeriFone Holdings, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

3578
(Primary Standard Industrial
Classification Code Number)

04-3692546
(I.R.S. Employer
Identification Number)

**2099 Gateway Place, Suite 600
San Jose, California 95110
(408) 232-7800**

(Address, Including Zip Code, and Telephone Number, Including
Area Code, of Registrant's Principal Executive Offices)

Douglas G. Bergeron
Chairman and Chief Executive Officer
VeriFone Holdings, Inc.
2099 Gateway Place, Suite 600
San Jose, California 95110
(408) 232-7800

(Name, Address, Including Zip Code, and Telephone Number, Including
Area Code, of Agent for Service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE OF THE SECURITIES TO THE PUBLIC: As soon as possible after this Registration Statement is declared effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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SUBJECT TO COMPLETION. DATED AUGUST 8, 2006

The information in this proxy statement/prospectus is not complete and may be changed. VeriFone may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Proxy Statement for Special Meeting and Prospectus of VeriFone Holdings, Inc. for up to 13,397,462 Shares of VeriFone Common Stock

Proxy Statement for Special Meeting of Shareholders of Lipman Electronic Engineering Ltd.

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholders:

We are writing to you today about the proposed merger of Lipman Electronic Engineering Ltd. with a subsidiary of VeriFone Holdings, Inc.

In the merger, each holder of Lipman ordinary shares will receive for each such share (i) one-half (0.50) share of common stock, par value \$0.01 per share, of VeriFone and (ii) \$12.804 in cash. Alternatively, Lipman shareholders may elect to receive for each Lipman share either \$27.57 in cash, which we refer to as the cash consideration, or 0.9336 shares of VeriFone common stock, which we refer to as the stock consideration. In addition Lipman will pay a special cash dividend of \$1.50 per ordinary share after the Lipman shareholder approval of the merger but before the closing. The total merger consideration is subject to proration so that VeriFone will (i) issue a number of shares of VeriFone common stock equal to the product of (x) 0.50 multiplied by (y) the number of Lipman ordinary shares issued and outstanding on the closing date and (ii) pay an amount in cash equal to the product of (x) \$12.804 multiplied by (y) the number of Lipman ordinary shares issued and outstanding on the closing date. Therefore, the ability of any Lipman shareholder to receive either the stock election consideration or the cash election consideration will depend upon the extent to which other shareholders make offsetting elections. VeriFone currently estimates that it will issue approximately 13.3 million shares and pay approximately \$342 million in cash, excluding the special cash dividend paid by Lipman in the aggregate amount of approximately \$40 million. Because elections are subject to proration, a Lipman shareholder may receive VeriFone common stock even if that shareholder elected to receive all cash. Conversely, a shareholder electing to receive all stock consideration may receive some consideration in cash.

VeriFone common stock is traded on the New York Stock Exchange under the trading symbol "PAY." The closing price of VeriFone common stock on August 7, 2006 was \$23.12 per share. The last reported sales price per Lipman ordinary share as reported on the Nasdaq Global Select Market on August 7, 2006 was \$24.63. Based on the closing price of the VeriFone common stock on the New York Stock Exchange on August 7, 2006, the value of the per share consideration to be received by Lipman shareholders who receive only VeriFone common stock would be \$21.58, and the value of the mixed consideration would be approximately \$24.36, in each case including the special cash dividend of \$1.50 per Lipman ordinary share. The implied value of the stock election consideration and the mixed consideration will fluctuate as the market price of the VeriFone common stock fluctuates.

Each company is holding a special meeting of shareholders in order to obtain the approvals necessary to complete the merger as more fully described in this proxy statement/prospectus. The merger cannot be completed unless the holders of 75% of the Lipman ordinary shares present and voting (not including abstentions) at the Lipman special meeting approve and adopt the merger agreement and approve the merger and unless the holders of a majority of the outstanding shares of VeriFone common stock approve the issuance of VeriFone common stock to be issued to Lipman shareholders and holders of Lipman share options pursuant to the merger agreement. At the Lipman special meeting, Lipman shareholders will be asked to vote on the merger and the other matters described in the attached proxy statement/prospectus. Under Israeli law, holders of Lipman ordinary shares are not entitled to statutory dissenters' rights.

Only holders of record of Lipman ordinary shares at the close of business on August 15, 2006 are entitled to attend and vote at the Lipman special meeting or any adjournment thereof.

Only holders of record of VeriFone common stock at the close of business on August 11, 2006 are entitled to attend and vote at the VeriFone special meeting or any adjournment thereof.

The Lipman board of directors has (1) reviewed and considered the terms and conditions of the merger agreement, (2) unanimously determined that the merger agreement and the merger are in the best interests of Lipman and its shareholders, considering the fairness opinion of Merrill Lynch & Co., Inc. and such other factors as the board of directors has deemed appropriate, and that no reasonable concern exists that Lipman, as the surviving company in the merger with VeriFone's newly formed merger subsidiary, will be unable to fulfill its obligations to its creditors, and (3) unanimously approved the merger agreement, the merger and all of the transactions contemplated by the merger agreement. **The Lipman board of directors unanimously recommends that Lipman shareholders vote FOR the proposal to approve the merger agreement, the merger and all of the transactions contemplated by the merger agreement. In addition, Mivtach Shamir Holdings Ltd., Mez-Op Holdings Ltd., Isaac Angel, Mike Lilo, Roy Neuman and Eliezer Yanay have each agreed to vote certain of their Lipman ordinary shares, representing in the aggregate approximately 17.0% of the outstanding Lipman ordinary shares, FOR the proposal to approve and adopt the merger agreement and approve the merger.**

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The VeriFone board of directors has (1) reviewed and considered the terms and conditions of the merger agreement, (2) unanimously determined that the merger agreement and the merger are fair to, and in the best interests of, VeriFone and its stockholders and (3) unanimously approved the merger agreement and the merger. **The VeriFone board of directors unanimously recommends that VeriFone stockholders vote FOR the proposal to authorize the issuance of VeriFone common stock to be issued to Lipman shareholders and holders of Lipman share options pursuant to the merger agreement. In addition, Douglas G. Bergeron and investment funds affiliated with GTCR Golder Rauner have each agreed to vote their VeriFone common stock, representing in the aggregate approximately 34.6% of the outstanding VeriFone common stock, FOR the proposal to authorize the issuance of VeriFone common stock to be issued to Lipman shareholders and holders of Lipman share options pursuant to the merger agreement.**

The merger will not be completed unless the shareholders of both companies approve the proposals related to the merger. **Your vote is very important, regardless of the number of shares you own. Whether or not you plan to attend either special meeting, please vote all proxy cards that you receive as soon as possible to ensure that your shares are represented at the applicable special meeting.**

The attached proxy statement/prospectus provides you with detailed information about VeriFone, Lipman, the merger agreement and the merger. We encourage you to read the entire proxy statement/prospectus carefully, including the "Risk Factors" section beginning on page 39.

Yours sincerely,

Douglas G. Bergeron
Chairman and Chief Executive Officer
VeriFone Holdings, Inc.

Jacob Perry
Chairman of the Board
Lipman Electronic Engineering Ltd.

Neither the Securities and Exchange Commission nor the Israel Securities Authority or any state securities commission has approved or disapproved these securities or determined if the accompanying proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated August 8, 2006, and is first being mailed to Lipman shareholders on or about August 16, 2006.

Sources of Additional Information

This proxy statement/prospectus incorporates important business and financial information about VeriFone and Lipman from documents that are not included in or delivered with this proxy statement/prospectus. Documents relating to VeriFone incorporated by reference are available from VeriFone without charge, excluding all exhibits unless VeriFone has specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents relating to VeriFone incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone or e-mail from VeriFone at the following address:

VeriFone Holdings, Inc.
Attention: Investor Relations
2099 Gateway Place, Suite 600
San Jose, California 95110
ir@verifone.com
(408) 232-7979

If you would like to request documents from VeriFone, please do so by September 8, 2006 in order to ensure that you receive them before the VeriFone special meeting.

Documents relating to Lipman incorporated by reference are available from Lipman without charge, excluding all exhibits unless Lipman has specifically incorporated by reference an exhibit in this proxy statement/prospectus. You may obtain documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from Lipman at the following address:

Lipman Electronic Engineering Ltd.
Attention: Investor Relations
11 Ha'amal Street, Park Afek
Rosh Ha'ayin 48092 Israel
+972 (3) 902-9730

If you would like to request documents from Lipman, please do so by September 7, 2006 in order to ensure that you receive them before the Lipman special meeting.

If you have any questions about the special meeting, the merger or this proxy statement/prospectus, the amount of the special cash dividend and its effect on the cash consideration, stock consideration and mixed consideration or need additional copies of this proxy statement/prospectus or the documents incorporated by reference into this proxy statement/prospectus, please send your request in writing or by telephone to Innisfree M&A Incorporated, Lipman's information agent and proxy solicitor, at the following address and telephone numbers:

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022
(888) 750-5834 (toll-free from the U.S. and Canada)
or
00800 7710 9970 (toll-free from Europe)
or
00800 7710 9971 (toll-free from Israel)

Banks and Brokers Call Collect:
(212) 750-5833 (New York)
or
+44 20 7710 9972 (London)

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For a more detailed description of the information incorporated by reference into this proxy statement/prospectus and how you may obtain it, see "Where You Can Find More Information" on page 146.

ABOUT THIS DOCUMENT

This document, which forms part of a registration statement on Form S-4 filed with the SEC by VeriFone (File No. 333-134928), constitutes a prospectus of VeriFone under Section 5 of the Securities Act of 1933, which we refer to as the Securities Act, with respect to the VeriFone common stock to be issued to Lipman shareholders as required by the merger agreement. This document also constitutes a proxy statement of VeriFone under Section 14(a) of the Securities Exchange Act of 1934, which we refer to as the Exchange Act, and a proxy statement for Lipman. As a "foreign private issuer," Lipman is not subject to the proxy requirements under Section 14(a) of the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting of VeriFone stockholders, at which VeriFone's stockholders will be asked to consider and vote upon a proposal to authorize the issuance of VeriFone common stock required to be issued to Lipman shareholders and holders of Lipman share options pursuant to the merger agreement, and a notice of meeting with respect to the special meeting of Lipman shareholders, at which Lipman's shareholders will be asked to consider and vote upon proposals to approve the merger agreement, to approve the amendment of the Articles of Association and to approve the amendment of the indemnification agreements between Lipman and its directors.

**VERIFONE HOLDINGS, INC.
2099 GATEWAY PLACE, SUITE 600
SAN JOSE, CALIFORNIA 95110**

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To be held on Friday, September 15, 2006

Dear VeriFone Stockholders:

A special meeting of stockholders of VeriFone Holdings, Inc., a Delaware corporation ("VeriFone"), will be held at 10:00 a.m. Pacific time on Friday, September 15, 2006 at 2099 Gateway Place, Suite 600, San Jose, California 95110, for the following purposes:

1. To consider and vote upon a proposal to authorize the issuance of the shares of VeriFone common stock required to be issued (i) in the merger of Lion Acquisitions Ltd., an Israeli company and a wholly-owned subsidiary of VeriFone ("Merger Sub"), with and into Lipman Electronic Engineering Ltd., an Israeli company, as contemplated by the Agreement and Plan of Merger, dated as of April 10, 2006, by and among Lipman, VeriFone and Merger Sub, as that agreement may be amended and (ii) pursuant to outstanding Lipman share options which will be converted into options to purchase shares of VeriFone Common Stock; and
2. To conduct any other business as may properly come before the special meeting or any properly reconvened meeting following an adjournment or postponement of the special meeting.

Holders of record of VeriFone common stock at the close of business on August 11, 2006, are entitled to vote at the special meeting and any adjournment or postponement of the special meeting. A list of these stockholders will be available for inspection during business hours from September 1 through September 14, 2006, at 2099 Gateway Place, Suite 600, San Jose, California, and will also be available at the special meeting.

Your vote is very important. Your proxy is being solicited by the VeriFone Board of Directors. The issuance of new shares of VeriFone common stock must be authorized by the stockholders of VeriFone in order for the merger to be completed.

By order of the Board of Directors of
VeriFone Holdings, Inc.

David Turnbull
Secretary

San Jose, California
August 8, 2006

**LIPMAN ELECTRONIC ENGINEERING LTD.
11 HA'AMAL STREET, PARK AFEK
ROSH HA'AYIN 48092 ISRAEL
+972 (3) 902-9730**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON THURSDAY, SEPTEMBER 14, 2006**

To all Lipman shareholders:

Notice is hereby given that a special general meeting of shareholders of Lipman Electronic Engineering Ltd., a corporation formed under the laws of the State of Israel, will be held at the principal executive offices of Lipman located at 11 Ha'amal Street, Park Afek, Rosh Ha'ayin 48092 Israel on Thursday, September 14, 2006 at 18:30 p.m. Israel time for the following purposes:

1. To consider and vote upon the proposal to approve, adopt and ratify the Agreement and Plan of Merger, dated as of April 10, 2006, by and among Lipman, VeriFone Holdings, Inc., a Delaware corporation, and Lion Acquisitions Ltd., a corporation formed under the laws of the State of Israel and a wholly owned subsidiary of VeriFone and the merger of Lion Acquisitions into Lipman under the provisions of Israeli Companies Law-1999, so that Lipman will become a wholly owned subsidiary of VeriFone;
2. To approve an amendment to Article 25 of Lipman's Articles of Association in order to conform the provisions of Lipman's Articles of Association relating to exculpation, insurance and indemnity of directors and officers with recent amendments to the Israeli Companies Law, and to restate Lipman's Articles of Association accordingly;
3. Subject to the approval of the amendment of Lipman's Articles of Association under proposal 2 above, to approve corresponding amendments to the indemnification agreements entered into between Lipman and its directors and the inclusion of the merger contemplated under section 1 above as an indemnifiable event under such indemnification agreements; and
4. To transact any other business that properly comes before the special general meeting or any adjournment or postponement of the meeting.

Only shareholders of record on the close of business on August 15, 2006, the record date, are entitled to notice of and to vote at the special general meeting and any adjournments or postponements of the meeting, in person or by proxy, provided that a letter of appointment shall be deposited at Lipman's registered office at least 48 hours prior to the special general meeting and subject further to the provision and authorization of such holdings as of the record date, as set forth by law. Alternatively, pursuant to Israeli law, Lipman shareholders may vote by way of written ballot, without attending the special meeting in person or appointing a proxy, provided that such written ballot is deposited at Lipman's registered office at least 72 hours prior to the special meeting and subject further to the authorization of share ownership as of the record date and proof of identification, as set forth by law. The form of written ballot, which is written in the Hebrew language, is also available on the website of the Israeli Securities Authorities at <http://www.magna.isa.gov.il>, on the website of the Tel-Aviv Stock Exchange Ltd. at <http://maya.tase.co.il>, or directly from the corporate secretary of Lipman at the address printed above. You are cordially invited to the meeting.

The presence of at least two shareholders, who have at least one-third (33¹/₃%) of the voting rights (including presence by proxy or by written ballot) at the special general meeting will constitute a quorum. Should no legal quorum be present one-half hour after the time scheduled for the special general meeting, the meeting shall be adjourned to one week from that day, at the same time and place. The quorum at the adjourned meeting shall be any number of shareholders.

By order of the Board of Directors of
Lipman Electronic Engineering Ltd.

Jacob Perry
Chairman of the Board

Rosh Ha'ayin, Israel
August 8, 2006

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REGARDLESS OF THE NUMBER OF ORDINARY SHARES OF LIPMAN YOU OWN OR WHETHER YOU PLAN TO ATTEND THE MEETING, IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AND VOTED. THE MERGER CANNOT BE COMPLETED UNLESS THERE IS A QUORUM PRESENT OR REPRESENTED AT THE SPECIAL GENERAL MEETING AND THE HOLDERS OF 75% OF THE LIPMAN ORDINARY SHARES PRESENT AND VOTING IN PERSON, BY PROXY OR BY WRITTEN BALLOT AT THE MEETING (NOT INCLUDING ABSTENTIONS) VOTE FOR THE MERGER AND THE MERGER AGREEMENT. THEREFORE, WE URGE YOU TO COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD IN THE ENCLOSED PRE-ADDRESSED, POSTAGE-PAID ENVELOPE. RETURNING THE PROXY CARD DOES NOT DEPRIVE YOU OF YOUR RIGHT TO ATTEND THE MEETING AND TO VOTE YOUR SHARES IN PERSON. YOUR VOTE IS VERY IMPORTANT.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR ADOPTION OF THE MERGER AND THE MERGER AGREEMENT, FOR THE APPROVAL OF THE AMENDMENT OF THE ARTICLES OF ASSOCIATION AND FOR THE APPROVAL OF THE AMENDMENT OF THE INDEMNIFICATION AGREEMENTS.

PLEASE DO NOT RETURN YOUR LIPMAN SHARE CERTIFICATES WITH YOUR ENCLOSED PROXY OR WRITTEN BALLOT.

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Questions and Answers About the Merger

The following are some of the questions that you, as a stockholder of VeriFone or a shareholder of Lipman, may have, and answers to those questions. These questions and answers, as well as the following summary, are not meant to be a substitute for the information contained in the remainder of this proxy statement/prospectus, and this information is qualified in its entirety by the more detailed descriptions and explanations contained elsewhere in this proxy statement/prospectus. We urge you to read this proxy statement/prospectus in its entirety prior to making any decision.

Q: Why am I receiving this proxy statement/prospectus?

A:

VeriFone and Lipman have entered into a merger agreement. Upon completion of the merger, Lipman will become a wholly-owned subsidiary of VeriFone. We have included in this proxy statement/prospectus important information about the merger, the merger agreement and the special meetings of VeriFone stockholders and Lipman shareholders. You should read this information carefully and in its entirety. We have attached a copy of the merger agreement as Annex A. The enclosed voting materials allow you to vote your shares without attending the applicable special meeting. **Your vote is very important and we encourage you to vote your proxy as soon as possible.**

In order to complete the merger, VeriFone stockholders and Lipman shareholders must each approve the proposals relating to the merger at their respective special meetings. VeriFone is holding a special meeting of its stockholders in order to obtain the approval necessary to issue VeriFone common stock in the merger and upon exercise of Lipman share options, as described in this proxy statement/prospectus. The VeriFone proposal to issue common stock must be approved by holders of a majority of the outstanding shares of VeriFone common stock.

Lipman is holding a special meeting of its shareholders in order to obtain shareholder approval of the merger agreement, and two other proposals. The Lipman proposal to approve the merger agreement and the merger must be approved by holders of 75% of the Lipman ordinary shares present or represented and voting at the special meeting called to approve the merger (not including abstentions).

Lipman's shareholders will also be asked to vote on an amendment to Article 25 of Lipman's Articles of Association relating to exculpation, insurance and indemnity of directors and officers of Lipman and corresponding amendments to the indemnification agreements entered between Lipman and its directors, as described in this proxy statement/prospectus. The second proposal at the Lipman special meeting, relating to the amendment of Lipman's Articles of Association and the third proposal, to the extent relating to the amendment of the indemnification agreements of Meir Shamir, Ishay Davidi and Mordechai Gorfung, must be approved by holders of majority of Lipman ordinary shares present or represented and voting at Lipman special meeting, subject to one of the following conditions: (i) the majority vote (not including abstentions) at the Lipman special meeting must include at least one-third of the votes of shareholders who have no personal interest in the proposal, participating at the meeting; or (ii) the total number of objecting votes of such shareholders mentioned in subsection (i) above, do not exceed 1% of the total voting rights in Lipman. The third proposal at the Lipman special meeting, relating to the amendment of the indemnification agreements relating to all other directors of Lipman, must be approved by holders of a majority of Lipman ordinary shares present or represented and voting at the Lipman special meeting. The completion of the merger is not conditioned upon approval of the second or third proposals by Lipman shareholders.

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Q: *What do I need to do now?*

A:

Read and consider the information contained in this proxy statement/prospectus carefully, and then please vote your shares as soon as possible by returning your proxy so that your shares may be represented at your special meeting.

Q: *When must Lipman shareholders make their election as to the type of consideration they want to receive?*

A:

If you are a Lipman shareholder, you should also make your election as to the type of consideration you wish to receive assuming approval of the merger. To be effective, this election must be received by Computershare Trust Company, N.A., the U.S. exchange agent, or Israel Brokerage and Investments I.B.I. Ltd., the Israeli exchange agent, on or before a date that is approximately three trading days prior to the closing date. We intend to announce the final election date and the expected closing date in a press release promptly after they are determined. **You should make your election no matter how you vote or whether or not you vote.**

If you hold your shares through a bank, broker or other custodian, please follow the instructions provided by them in order to direct them to make an election on your behalf.

Q: *To which exchange agent should Lipman shareholders send their completed election forms?*

A:

Lipman shareholders who hold their Lipman ordinary shares in book entry form through Tel Aviv Stock Exchange member firms should return their completed election forms through their Tel Aviv Stock Exchange member firm to I.B.I., the Israeli exchange agent.

Lipman shareholders who are registered owners of their Lipman ordinary shares or who hold their Lipman ordinary shares traded on the Nasdaq Global Select Market or through American Stock Transfer & Trust Company, Lipman's U.S. transfer agent, should return their completed election forms to Computershare, the U.S. exchange agent. Registered shareholders should include the certificate(s) representing all of their Lipman ordinary shares along with the election form. If you hold your shares through a bank, broker or other custodian, please follow the instructions provided by them in order to direct them to make an election on your behalf.

Q: *What will Lipman shareholders receive in the merger?*

A:

If the merger is completed, Lipman shareholders will receive, at their election and subject to the proration and allocation procedures described in this proxy statement/prospectus, for each Lipman ordinary share:

the mixed consideration, which consists of (i) one-half (0.50) share of VeriFone common stock and (ii) \$12.804 in cash.

Alternatively, Lipman shareholders may elect to receive for each Lipman ordinary share either:

the cash consideration, which consists of \$27.57 in cash;

or

the stock consideration, which consists of 0.9336 shares of VeriFone common stock.

In addition, pursuant to the merger agreement, Lipman will distribute to its shareholders a special cash dividend of \$1.50 per Lipman ordinary share. The amount of the special cash dividend reflects the agreement of VeriFone and Lipman as to the amount of cash reserves held by Lipman that could be distributed by Lipman in the form of a dividend without a tax being imposed on, or payable by, Lipman.

Lipman shareholders who elect to receive either the cash consideration or the stock consideration will be subject to proration and allocation, so that the aggregate stock and cash consideration paid by VeriFone in the merger will remain the same as for the mixed consideration. In other words, the ability of any Lipman shareholder to receive either the stock election consideration or the cash election consideration will depend upon other shareholders making offsetting elections.

The consideration for the Lipman ordinary shares, including the exchange ratio for the VeriFone common stock component of the stock or mixed consideration, will not change even if the market prices of Lipman ordinary shares or VeriFone common stock fluctuate. However, if Lipman shareholders elect to receive the mixed consideration or stock consideration, the value of the VeriFone shares included in the mixed consideration or stock consideration will fluctuate up or down with fluctuations in the market price of VeriFone common stock.

Q: What is the special cash dividend?

A:

VeriFone and Lipman structured the special cash dividend to reduce VeriFone's cash financing requirements, in light of the significant excess cash balance that would be held by the companies following the completion of the merger. In order to make efficient use of a portion of Lipman's existing cash to finance the acquisition, the special cash dividend will be paid to Lipman shareholders prior to closing. Payment of the dividend also enables VeriFone to reduce financing costs in connection with the merger.

Q: When will the Lipman special cash dividend be paid?

A:

Assuming approval of the merger, after Lipman's special meeting and before the completion of the merger, Lipman's board of directors intends to declare and pay the special cash dividend to holders of Lipman ordinary shares as of a dividend record date to be set by Lipman's board of directors. Lipman does not expect to declare the special cash dividend if the merger is not approved by its shareholders, although it retains the ability to do so.

Q: How will VeriFone fund the cash portion of the merger consideration?

A:

VeriFone intends to finance the cash portion of the merger agreement with its cash resources as well as through a new credit facility that VeriFone will enter into in connection with the merger that will replace its existing credit facility. VeriFone has received commitments from JPMorgan Securities Inc. and Lehman Brothers, Inc. with respect to the new credit facility. The new credit facility will have a new term loan component of \$500 million and a revolving credit component of \$40 million. VeriFone's obligation to complete the merger is not contingent on its ability to receive financing under the new credit facility.

Q: What will VeriFone stockholders receive in the merger?

A:

VeriFone stockholders will receive no consideration in connection with the merger and will simply continue to hold their VeriFone common stock which will include an indirect investment in Lipman after it becomes a subsidiary of VeriFone.

Q: What is the aggregate consideration to be paid by VeriFone for all of the outstanding Lipman ordinary shares?

A:

VeriFone will issue in the aggregate an estimated 13.3 million shares of VeriFone common stock (to be determined as 0.50 of a share of VeriFone common stock multiplied by the number of Lipman ordinary shares issued and outstanding at the closing) and pay an estimated \$342 million in cash (to be determined as \$12.804 multiplied by the number of Lipman ordinary shares issued and outstanding at the closing).

Q: What is the value of the consideration Lipman shareholders will receive if they elect to receive the mixed consideration or the stock consideration?

A:

If Lipman shareholders properly and timely elect to receive the mixed consideration or the stock consideration, the value of the consideration they will receive will depend in part upon the value of VeriFone common stock, which fluctuates. The following table, which assumes no proration allocation, illustrates the effect of changes in the value of VeriFone common stock on the value of the mixed consideration or the stock consideration.

| Value Per Lipman Ordinary Share(1) | | | |
|--|-------------------|-------------------|------------------|
| Price Per Share of VeriFone Common Stock | Mixed Election | Stock Election | Cash Election |
| \$ 34.000 | \$ 31.304 | \$ 33.242 | \$ 29.070 |
| \$ 29.532(2) | \$ 29.070 | \$ 29.070 | \$ 29.070 |
| \$ 25.000 | \$ 26.804 | \$ 24.840 | \$ 29.070 |
| \$ 23.120(3) | \$ 25.864 | \$ 23.084 | \$ 29.070 |

(1)

Includes the value of the \$1.50 per share special cash dividend to be paid by Lipman prior to the completion of the merger. The data set forth in this table does not reflect the actual value of the consideration that a Lipman shareholder will receive in the merger. In the event that the value of any one form of consideration substantially exceeds the value of the other forms of consideration, it is unlikely that Lipman shareholders will ultimately receive the highest value reflected in the table because the proration and allocation procedures will limit the aggregate amount of the cash and VeriFone stock received such that the aggregate value of the merger consideration will equal the product of the mixed consideration times the number of Lipman ordinary shares outstanding at the effective time of the merger.

(2)

This amount is the price per share of VeriFone common stock at which the value of the mixed consideration and the stock consideration are equal to the value of the cash consideration.

(3)

Closing price of VeriFone common stock on the New York Stock Exchange on August 7, 2006.

The price of VeriFone common stock has fluctuated significantly. If Lipman shareholders receive the mixed consideration or the stock consideration in exchange for Lipman ordinary shares, the value of the VeriFone shares will increase and decrease with fluctuations in the market price of VeriFone common stock. The value of the consideration Lipman shareholders receive in the merger if they receive the mixed consideration or the stock consideration may be more or less than the \$29.07 that they would have received if they received the cash consideration (including in each case the special cash dividend of \$1.50 per share). In addition, the trading price of VeriFone common stock on the day they receive the cash consideration, the mixed consideration or the stock consideration in exchange for their Lipman ordinary shares will likely be more or less than the trading price of VeriFone common stock on the day they make their election to receive the cash consideration, the stock consideration or the mixed consideration. This means that the then-current value of the stock consideration or the mixed consideration that they would receive for each Lipman ordinary share if they properly and timely elect to receive the stock consideration or the mixed consideration will likely be more or less than the value of the stock consideration or the mixed consideration on the day they make their election.

Neither Lipman nor VeriFone is making any recommendation as to whether Lipman shareholders should elect to receive the cash consideration or stock consideration in lieu of the mixed consideration in connection with the merger.

Q: *When do you expect the merger to be completed?*

A:

We are working towards completing the merger as quickly as reasonably possible. Several conditions must be satisfied or waived before the merger is completed. See the section of this proxy statement/prospectus titled "The Merger Agreement - Conditions to Completion of the Merger" for a summary description of these conditions. We hope to complete the merger promptly after the expiration of the later of (i) the HSR Act waiting period in the United States and (ii) a 30-day waiting period required by Israeli law beginning after the approval of the merger at the Lipman special meeting to be held on September 14, 2006.

Q: *Are Lipman shareholders entitled to dissenters' or appraisal rights?*

A:

No. Under Israeli law, holders of Lipman ordinary shares are not entitled to statutory dissenters' or appraisal rights in connection with the merger.

Q: *Will Lipman shareholders continue to be able to trade their Lipman shares on the Tel Aviv Stock Exchange or the Nasdaq Global Select Market following the shareholders meeting?*

A:

Lipman shareholders are expected to be able to trade their Lipman ordinary shares on both the Tel Aviv Stock Exchange and the Nasdaq Global Select Market until a date shortly before the closing and after they make their elections as to the type of consideration they want to receive. Lipman intends to cause trading in Lipman's ordinary shares to be discontinued from and after the deadline for submitting elections.

Q: *Will Lipman shareholders be able to trade any VeriFone common stock that they receive in the merger?*

A:

Yes. The VeriFone common stock that Lipman shareholders will receive unless they receive only the cash consideration will be freely tradable, unless held by an affiliate of VeriFone or Lipman. VeriFone's common stock is listed on the New York Stock Exchange under the symbol "PAY." In addition, VeriFone has applied to the Tel Aviv Stock Exchange for a listing of its common stock on the Tel Aviv Stock Exchange. It is currently expected that the VeriFone common stock will begin trading on the Tel Aviv Stock Exchange shortly before completion of the merger.

Q: *What will happen to unexercised Lipman share options?*

A:

Following the merger, each outstanding share option under Lipman's share option plans will be converted into an option to purchase an equal number of shares of VeriFone common stock, subject to certain adjustments that may be required to comply with U.S. tax law. Each option will otherwise continue to be governed by the same terms and conditions as applicable under Lipman's share option plan.

Q: *Are there any risks related to the proposed transaction or any risks related to owning VeriFone common stock?*

A:

Yes. You should carefully review the section entitled "Risk Factors" beginning on page 39.

Q: *If Lipman shareholders receive the stock consideration or the mixed consideration, will their rights as Lipman shareholders change as a result of the merger?*

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A:

Yes. Lipman and VeriFone are incorporated in different jurisdictions having different corporate laws. In addition, the governing documents of the two companies are different. Additionally, Lipman is traded on, and subject to the corporate governance rules of, Nasdaq, while VeriFone is listed on, and subject to the corporate governance rules of, the New York Stock Exchange. As a result, a Lipman shareholder receiving shares of VeriFone common stock in connection with the

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merger will have different rights as a VeriFone shareholder than as a Lipman shareholder. If Lipman shareholders elect, or fail to properly make a timely election and are deemed to have elected, to receive the cash consideration for their Lipman ordinary shares, it is possible they may not receive any VeriFone common stock and in that event they will not have an investment in VeriFone following the merger.

Q: If I make the stock election or the cash election in the merger will I necessarily receive the consideration I elect?

A:

No. The cash election and the stock election are each subject to allocation and proration procedures that are designed to maintain the aggregate cash and stock paid by VeriFone at the fixed amounts agreed in the merger agreement. Therefore, Lipman shareholders making the stock election or the cash election will receive the separate consideration elected only to the extent that offsetting elections are made by other Lipman shareholders. In particular, if the value of VeriFone common stock is lower than it was on the date of the merger agreement so that the value of the stock election consideration is lower than the value of either the mixed consideration or the cash election consideration, and all Lipman shareholders make the cash election, the proration and allocation provisions will operate so that each Lipman shareholder will receive the equivalent of the mixed consideration. A similar result will be realized if the value of VeriFone common stock is higher than it was on the date of the merger agreement and all Lipman shareholders make the stock election. Therefore, it is likely that all Lipman shareholders will receive a combination of VeriFone common stock and cash, the proportions of which will vary depending on the elections made by all Lipman shareholders.

Questions and Answers About the Special Meetings

Q: When and where will the special meetings be held?

A:

The VeriFone special meeting is scheduled to be held at 2099 Gateway Place, Suite 600, San Jose, California 95110, at 10:00 a.m. Pacific time, on Friday, September 15, 2006. The Lipman special meeting is scheduled to be held at 11 Ha'amal Street, Park Afek, Rosh Ha'ayin 48092 Israel, at 18:30 p.m., Israel time, on Thursday, September 14, 2006.

Q: Who is entitled to vote at the VeriFone and Lipman special meetings?

A:

VeriFone has fixed August 11, 2006 as the record date for the VeriFone special meeting. If you are a VeriFone stockholder at the close of business on the record date, you are entitled to vote on matters that come before the VeriFone special meeting. However, a VeriFone stockholder may only vote his or her shares if he or she is present in person or is represented by proxy at the VeriFone special meeting.

Lipman has fixed August 15, 2006 as the record date for the Lipman special meeting. If you are a Lipman shareholder at the close of business on the record date, you are entitled to vote on matters that come before the Lipman special meeting. However, a Lipman shareholder may only vote his or her shares if he or she is present in person, is represented by proxy at the Lipman special meeting or has voted by way of written ballot.

Q: What are the recommendations of the VeriFone and Lipman boards of directors?

A:

Each board of directors has approved and adopted the merger agreement, approved the transactions contemplated by the merger agreement, including the merger, and determined that these transactions are in the best interests of its shareholders.

The VeriFone board of directors recommends that VeriFone stockholders vote FOR the proposal to authorize the issuance of VeriFone common stocks required to be issued pursuant to the merger agreement. See "The Merger VeriFone's Reasons for the Merger; Recommendation of the VeriFone Board of Directors" beginning on page 88.

The Lipman board of directors recommends that Lipman shareholders vote FOR the proposal to approve the merger agreement, FOR the approval of the amendment of the Articles of Association and FOR the approval of the amendment of the Indemnification Agreements. See "The Merger Lipman's Reasons for the Merger; Recommendation of the Lipman Board of Directors" on page 78 and "Information About the Lipman Special Meeting Other Proposals" on page 66.

Q: How can I vote?

A:

If you are entitled to vote at your company's special meeting, you can vote in person at the special meeting, or you can vote by proxy before the special meeting. Shareholders of Lipman may also vote by way of written ballot instead of being present at the special meeting or appointing a proxy. Even if you plan to attend your company's special meeting, we encourage you to vote your shares by proxy or written ballot as soon as possible. After carefully reading and considering the information contained in this proxy statement/prospectus, please submit your proxy in accordance with the instructions set forth on the enclosed proxy card. For detailed information, please see "Information About the VeriFone Special Meeting How to Vote" beginning on page 64 and "Information About

the Lipman Special Meeting "How to Vote" beginning on page 70.

The vote required to approve the merger agreement at the Lipman special meeting is 75% of the Lipman ordinary shares present and voting (not including abstentions) at the Lipman special meeting.

The vote required to authorize the issuance of VeriFone common stock at the VeriFone special meeting is a majority of the outstanding VeriFone common stock. Accordingly, a VeriFone stockholder's failure to vote his or her VeriFone common stock will have the same effect as a vote of those shares against the proposal to authorize the issuance of VeriFone common stock.

Q: What happens if a Lipman shareholder does not indicate how to vote on the proxy card?

A:

If Lipman shareholders do not include instructions on how to vote their properly signed and dated proxy card, their shares will be voted FOR the approval of the merger agreement and the merger, FOR the approval of the amendment to Article 25 to the Lipman Articles of Association and FOR the approval of the amendments to the Lipman indemnification agreements for directors and in the discretion of the proxy holders, on any other business that may properly come before the Lipman special meeting. However, if a Lipman shareholder does not indicate on a proxy card whether the shareholder is (i) a person or entity holding, directly or indirectly, 25% or more of either the voting power or the right to appoint a director of VeriFone or the merger subsidiary; (ii) a person or entity acting on behalf of VeriFone, the merger subsidiary or a person or entity described in (i); or (iii) a family member of, or entity controlled by, VeriFone, the merger subsidiary or any of the foregoing, that shareholder's vote on the proposal to approve the merger agreement will not be counted with respect to the approval of the merger agreement and the merger and will be treated as an abstention in determining whether or not the merger has been approved.

Q: What happens if I do not vote?

A:

Approval of the proposals to be presented at the special meetings requires the affirmative vote of specified percentages of the outstanding VeriFone common stock and of Lipman ordinary shares present and voting at the meeting at which a quorum is present. The presence in person or by proxy or written ballot of at least two shareholders who collectively hold at least one-third (33¹/₃%) of Lipman's outstanding ordinary shares and a majority of VeriFone's outstanding common stock is required to constitute a quorum at the special meetings.

If a quorum is present at the Lipman meeting and Lipman shareholders do not (a) return their proxy cards, (b) vote in person at the meeting, or (c) return written ballots, then fewer shares will be present and voting at the meeting and, as a result, fewer shares will be required to defeat the proposal to approve the merger agreement and the other proposals to be presented at the special meeting. If a quorum is present at the VeriFone meeting and VeriFone stockholders do not return their proxy cards or vote in person at the meeting, then VeriFone might not succeed in having holders of a majority of the outstanding VeriFone common stock approve the issuance of VeriFone common stock in the merger.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A:

If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the "beneficial holder" of the shares held for you in what is known as "street name." If this is the case, this proxy statement/prospectus has been forwarded to you by your brokerage firm, bank or other nominee, or their agent. As the beneficial holder, you have the right to direct your broker, bank or other nominee as to how to vote your shares. **If you do not provide your broker, bank or other nominee with instructions on how to vote your "street name" shares, your broker, bank or other nominee will not be permitted to vote them on the proposal to authorize the**

issuance of VeriFone common stock in the merger (if you are a VeriFone stockholder) or on the proposals to approve the merger agreement or an amendment to Article 25 of Lipman's Articles of Association and corresponding amendments to the indemnification agreements if you are a Lipman shareholder. You should therefore be sure to provide your broker, bank or other nominee with instructions on how to vote your shares.

Q: How do Lipman shareholders vote if they hold their shares in "street name" through a member of the Tel Aviv Stock Exchange?

A:

If Lipman ordinary shares are held in "street name" through a member of the Tel Aviv Stock Exchange, Lipman shareholders will receive by electronic mail a link to a website containing a written ballot, or, if so requested, will receive the form of written ballot from the member of the Tel Aviv Stock Exchange. Such Lipman shareholders should vote their shares using the written ballot and not using the proxy materials provided with this proxy statement/prospectus.

Q: How do Lipman shareholders elect to receive the cash consideration or the stock consideration or the mixed consideration for their Lipman ordinary shares?

A:

A form for making an election is being delivered along with this proxy statement/prospectus, except that if you hold your shares through a bank, broker or other custodian, you may receive the election materials separately.. Additional copies of the election form may be obtained from the relevant exchange agent. For an election to be effective, a properly completed election form, along with the Lipman share certificates or an appropriate guarantee of delivery, must be sent to and received by Computershare, the U.S. exchange agent, or I.B.I., the Israeli exchange agent, on or before a date that is approximately three trading days prior to the closing date. We intend to announce the final election date and the expected closing date in a press release promptly after they are determined. **Do not send an election form or share certificates together with the proxy card or written ballot.** Instead, use the separate envelope specifically provided for the election form and the share certificates. Please read this proxy statement/prospectus carefully for more information about the procedures for electing to receive the cash consideration, stock consideration or mixed consideration. If you hold your shares through a bank, broker or other custodian, please follow the instructions provided by them in order to direct them to make an election on your behalf.

If Lipman shareholders do not properly and timely send in their completed election form along with their Lipman share certificates or an appropriate guarantee of delivery, these shareholders may be deemed by VeriFone, in its sole and absolute discretion, to have elected any of the cash consideration or the stock consideration or the mixed consideration, subject to the required proration, so that VeriFone will (i) issue in the aggregate a number of shares of VeriFone common stock equal to the product of (x) 0.50 multiplied by (y) the number of Lipman ordinary shares issued and outstanding on the closing date and (ii) pay an amount in cash equal to the product of (x) \$12.804 multiplied by (y) the number of Lipman ordinary shares issued and outstanding on the closing date. VeriFone may exercise its discretion, to the extent feasible, but subject to the required proration, to give effect to the elections made by other Lipman shareholders that have properly and timely sent in completed election forms. If applicable, the relevant exchange agent will send written instructions for surrendering certificates representing Lipman ordinary shares for the cash consideration, stock consideration or mixed consideration after the merger is completed.

Q: Have any Lipman shareholders agreed to vote FOR the merger agreement and the merger?

A:

Yes. Mivtach Shamir Holdings Ltd., Mez-Op Holdings Ltd., Isaac Angel, Mike Lilo, Yitzhak Cohen, Roy Neuman and Eliezer Yanay have each agreed to vote certain of their shares of Lipman ordinary shares, representing in the aggregate approximately 17.0% of the outstanding

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Lipman ordinary shares FOR the proposal to approve and adopt the merger agreement and approve the merger.

Q: *Have any VeriFone stockholders agreed to vote FOR the authorization of issuance of VeriFone common stock?*

A:

Yes. Douglas G. Bergeron and investment funds affiliated with GTCR Golder Rauner, or GTCR, have each agreed to vote shares of VeriFone common stock, representing in the aggregate approximately 34.6% of the outstanding shares of VeriFone common stock FOR the proposal to authorize the issuance of VeriFone common stock to be issued to Lipman shareholders and holders of Lipman share options pursuant to the merger agreement.

Q: *Can I change my vote after I have signed and returned my proxy card or voting instruction card?*

A:

Yes. You can change your vote at any time before your proxy is voted at the VeriFone or Lipman special meeting. You can do this in one of three ways:

you can send a written notice stating that you would like to revoke your proxy, provided that the notice is received at least 24 hours prior to the time set for the special meeting or is presented at the special meeting to the chairman of the meeting;

you can complete and submit a new proxy card dated later than the first proxy card, provided that the new proxy card is received at least 24 hours prior to the time set for the special meeting or is presented at the special meeting to the chairman of the meeting; or

you can attend the VeriFone or Lipman special meeting, and file a written or make an oral notice of revocation of your proxy with the chairman of the meeting and then vote in person.

Your attendance alone will not revoke your proxy. If you have instructed a broker to vote your shares, you must follow your broker's directions to change those instructions.

Q: *Can Lipman shareholders revoke their vote after they return their written ballot?*

A:

Yes. A written ballot can be revoked by notifying the corporate secretary of Lipman in writing and producing evidence of shareholder identity, provided it is done at least 24 hours prior to the time set for the special meeting. If a written ballot is revoked, the Lipman shareholder will be entitled to vote at the special meeting only by attending in person.

Q: *Why are Lipman shareholders being asked to indicate on the proxy card or the written ballot whether or not they are related to VeriFone or the merger subsidiary?*

A:

Under Israeli law, if VeriFone, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VeriFone or the merger subsidiary, holds shares in Lipman, then there is an additional requirement for the approval of the merger agreement. The additional requirement is that a majority of the shareholders who are present at the special meeting, excluding VeriFone, the merger subsidiary or any person or entity holding 25% or more of either the voting power or the right to appoint a director of VeriFone or the merger subsidiary, or anyone acting on their behalf, including their family members or entities under their control, shall not have voted against the merger. For this purpose, abstentions and broker non-votes are not considered to be votes against the merger.

Q: Can Lipman shareholders elect to receive the cash consideration for some of their Lipman ordinary shares and the stock consideration or the mixed consideration for some of their Lipman ordinary shares held in the same account?

A:

No. Lipman shareholders may only elect to receive one consideration alternative for all of their Lipman ordinary shares held in a single account. A holder of record of Lipman ordinary shares who holds such ordinary shares as a nominee, trustee or in another representative capacity may submit multiple election forms, provided that such record holder certifies that each such election form covers all the Lipman ordinary shares held by such record holder for a particular account or beneficial owner.

Q: If a Lipman shareholder wants to change or revoke an election, what should he or she do?

A:

Lipman shareholders may change their election at any time prior to a date that is approximately three trading days prior to the closing date, by written notice accompanied by a properly completed and signed later-dated election form received by the relevant exchange agent prior to that time. Lipman shareholders may revoke their election at any time prior to a date that is approximately three trading days prior to the closing date by withdrawing their share certificates by written notice received by the relevant exchange agent prior to that time. All elections will be revoked automatically if the merger agreement is terminated.

Q: If a shareholder purchased Lipman ordinary shares after the record date, may the shareholder vote these shares at the Lipman special meeting? How does the shareholder make an election with respect to these shares?

A:

A shareholder is not entitled to vote shares purchased after the record date because the shareholder was not the record holder of those shares on the record date. However, the shareholder is entitled to make an election with respect to those shares at any time prior to a deadline to be announced by VeriFone and Lipman which is set approximately three trading days prior to the closing date. The shareholder may obtain an election form from Computershare at (800) 251-4215 from within the United States or from I.B.I. at 03-5193444 from Israel. Election forms are also available from Innisfree M&A Incorporated, Lipman's information agent and proxy solicitor at the telephone numbers listed on page 12 of this proxy statement/prospectus. If the shareholder does not properly and timely send in the shareholder's completed election form along with the shareholder's Lipman share certificates or an appropriate guarantee of delivery, the shareholder may be deemed by VeriFone, in its sole and absolute discretion, but subject to the required proration, to have elected any of the cash consideration or the stock consideration or the mixed consideration.

If you hold your shares through a bank, broker or other custodian, you should contact your custodian for instructions as to how to direct them to make an election on your behalf.

Q: What happens if the merger is completed and Lipman shareholders have not properly made a timely election to receive either the cash consideration or the stock consideration or the mixed consideration for their Lipman ordinary shares?

A:

If Lipman shareholders do not properly make a timely election pursuant to the election procedures described in this proxy statement/prospectus:

those shareholders may be deemed by VeriFone, in its sole and absolute discretion, to have elected any of the cash consideration, the stock consideration or the mixed consideration, subject to the required proration. VeriFone may exercise its discretion, to the extent feasible, but subject to the required proration, to give effect to the elections made by other Lipman shareholders that have properly and timely sent in completed election forms; and

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the relevant exchange agent will send written instructions for surrendering the Lipman ordinary shares after the merger is completed.

Q: *Should Lipman shareholders send in their Lipman share certificates now?*

A:

Do not send an election form or Lipman share certificates together with the proxy card or written ballot. However, in order for Lipman shareholders to make an election to receive the cash consideration or the stock consideration or the mixed consideration in exchange for their Lipman ordinary shares, they must send their Lipman share certificates, or an appropriate guarantee of delivery, and their completed election form indicating their election of the cash consideration or the stock consideration or the mixed consideration to the relevant exchange agent in the separate envelope specifically provided for the election form and share certificates. To be effective, the election form must be received by the relevant exchange agent on or before a date that is approximately three trading days prior to the closing date.

If you hold your shares through a bank, broker or other custodian, please follow the instructions provided by them in order to direct them to make an election on your behalf.

Q: *What do Lipman shareholders do if they have questions?*

A:

If Lipman shareholders have any questions about the special meeting, the merger or this proxy statement/prospectus, the amount of the special cash dividend and its effect on the cash consideration, stock consideration and mixed consideration, or if they need additional copies of this proxy statement/prospectus or the enclosed proxy card or election form, they should contact Lipman's information and proxy solicitation agent, Innisfree M&A Incorporated at:

(888) 750-5834 (toll-free from the U.S. and Canada)

or

00800 7710 9970 (toll-free from Europe)

or

00800 7710 9971 (toll-free from Israel)

Banks and Brokers Call Collect:

(212) 750-5833 (New York)

or

+44 20 7710 9972 (London)

In addition, if Lipman shareholders have any questions about the merger or if they need additional copies of this proxy statement/prospectus, they may contact:

Lipman Electronic Engineering Ltd.

Attention: Investor Relations

11 Ha'amal Street, Park Afek

Rosh Ha'ayin 48092 Israel

+972 (3) 902-9730

If their broker holds their shares, they may also call their broker for additional information.

VeriFone will also provide you with copies of the information relating to VeriFone, without charge, upon written or oral request to:

VeriFone Holdings, Inc.
Attention: Investor Relations
2099 Gateway Place, Suite 600
San Jose, California 95110
ir@verifone.com
(408) 232-7979

Summary

This summary highlights selected information from this proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully, you should read carefully this entire proxy statement/prospectus and the documents we refer to. See "Where You Can Find More Information" on page 146. The merger agreement is attached as Annex A to this proxy statement/prospectus and is incorporated herein by reference. We encourage you to read it, as it is the most important legal document that governs the merger. We have included page references in parentheses to direct you to a more complete description contained elsewhere in this proxy statement/prospectus of the topics presented in this summary.

The Companies **(Page 73)**

VeriFone Holdings, Inc.
2099 Gateway Place, Suite 600
San Jose, California 95110
+1 408 232-7800

VeriFone is a leading global provider of technology that enables secure electronic payment transactions and value-added services at the point of sale. Since 1981, VeriFone has designed and marketed system solutions that facilitate the long-term shift toward electronic payment transactions and away from cash and checks. VeriFone has one of the leading electronic payment solutions brands and is one of the largest providers of electronic payment systems worldwide. VeriFone's net revenues grew by 24.4% and 15.0%, respectively, in the years ended October 31, 2005 and 2004, reaching \$485.4 million in the year ended October 31, 2005.

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