

"I value people

who became tycoons

by utilizing their creativity"

Advocate Ishay Bet-On,

who specializes in corporate

liquidations and receiverships:

"The 'corporate rehabilitation' tool

is not sufficiently utilized in our country.

Rehabilitation should commence prior

to the passing away of the company.

Business owners have a difficult time internalizing this".

Hen Maanit,

"The News", p. 22-23.

“I don’t think that there is another individual in this country who rehabilitated more companies than I did”

At the age of 6, Ishay Bitton’s parents Hebrew-tized their name to Ben-On but today his children, who are “half and a half”, accentuate their Moroccan side * The young man who studied auto mechanics decided to become a lawyer while serving in the military; he worked at a Manhattan law firm, got a glimpse of the world of company liquidations and receiverships, returned to Israel while this field was still its infancy, and since then rehabilitated multiple companies * As a marathon runner he has additional plans: to complete his Ph.D. and to write a book.

An exchange with advocate Ishay Bet-On.

The House

Squeaky clean jeeps, (in generic terms) that most likely have never tasted road dirt, come out every now and then from indoor garages of private, three story homes on a Ramat-Ha’Sharon street, where advocate Ishay Bet-On resides. I arrive ten minutes earlier than our planned meeting at the address given to me by Bet-On and ring the doorbell. No one answers the door.

The neighbor who lives across from the house comes out of his driveway and I ask him if this is where Ishay Bet-On lives. Strangely enough, he doesn’t know. I wait outside for another few minutes, go back and ring the doorbell. This time, someone answers. A grinning house – painter, with white paint stains on his clothes, comes down the stairs and opens the door for me. I ask him, but he too doesn’t know who Ishay Bet-On is. I start wondering if I had the wrong address or maybe one neighbor doesn’t know his own neighbor or perhaps the contractor doesn’t know who his employer is? It turns out that both options B & C are correct. The neighbor and the contractor don’t know Bet-On. Several minutes later, Bet-On arrives at the house that he has been renting for the past few years, ever since he and his spouse split up and explains: “When you leave the house every morning at six and come back at ten at night, it’s usually hard to know who lives next door to you”. We go into the house that is being freshly painted.

Bet-On gives me a tour of the house, between the ladders and paint cans. He introduces his nice, 18-year old daughter, Ofri, who is decorating her small bedroom on her own. Right next to the room is a large balcony, which seemed to have hosted a party just a few hours earlier.

We go down stairs and see a large ping pong table and a WR 125 Yamaha motorcycle. Just like the neighborhood jeeps, this dirt bike looks as if it just came out of its wrapping. Bet-On however insists that the motorcycle is being used: “I ride down to the beach with it and drive it on open roads by Ramat Hasharon. I also have a mountain bike and a moped, which I ride to work”. After going up and down the entire house, we take a seat in the small yard and Ofri serves us coffee.

A Brief Biography

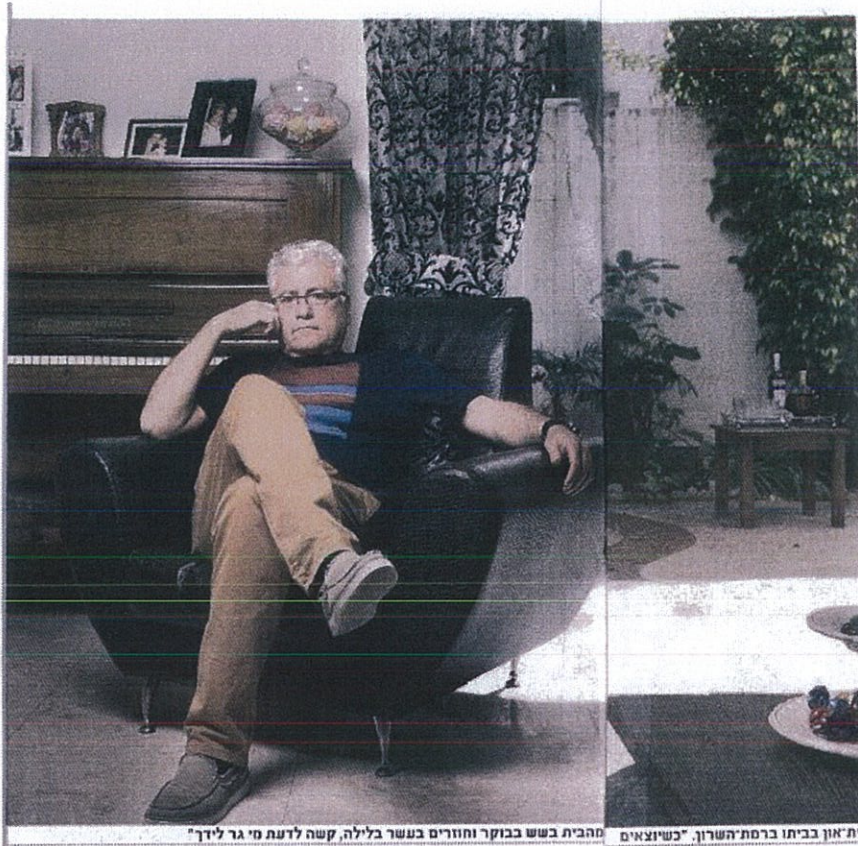
"I grew up in Givatayim. My parents didn't have the best relationship, mostly because my late father wanted to move to Jerusalem. They stayed together however, until the end. My father, who was a printer, passed away four years ago at the age of 91; my mother who worked in cleaning, passed away four months ago at the age of 90. Up to the age of six, I was called "Ishay Bitton" but then my parents decided to Hebrew-tize our last name to 'Bet On'. It was a big issue at home. We used to talk about it at the dinner table. Today things are different. My kids, who are half Ashkenazim and half Sephardim, actually accentuate their Moroccan side. "Eventually, we ended up moving to Jerusalem and in the eighth grade I started going to the Mosinzon Boarding School. I attended the School for a year and then started learning auto mechanics at Ort Nevi'im. Our financial state at home was difficult and so I worked all through school. Each morning I would hand out 400 rolls.

"In 1973, I enlisted in the military, during the Yom Kippur war, without completing my matriculation studies. I was sent to Battalion 50 in the 'Nahal' Parachutes Brigade. After the war I attended squad commanders' course. The Minister of Defense, Moshe (Boogie) Ya'alon was the squadron commander at the time and the Battalion commander was 'Ya Ya' (retired Major General Yoram Yair). I left the military around the time of the Lebanon War and went back to complete my matriculation studies. Later on I went to study at the pre-academic program at the Hebrew University of Jerusalem. "Some of my last military roles were personnel administrative functions and General Staff commands. I realized that I liked what I was doing and it was then that I decided that I wanted to become a lawyer. I didn't get accepted into law school at the Hebrew University of Jerusalem because of a merely half a grade point. At the time, a new pre-law program, introduced by Professor Asa Kasher, had just opened at the Tel Aviv University.

"I graduated from the program and got accepted into law school in Tel Aviv. My classmates included Professor Daphne Barak Erez who is a Supreme Court Judge today and Isaac (Bougie) Herzog. I studied for four years and in parallel worked three different odd jobs every day. My class year was the first to undergo the bar exam in writing, in addition to the oral exam. We were also the last class year with a two year internship period.

"I managed to squeeze my way through into the S. Horowitz Law Firm for my internship, at a time when only children of judges were able to intern there. My mentors were Advocate Boaz Okon, who was the former director of the Israeli court system and a district judge, and Dr. Yoav Ben Dror. I also worked with the late Advocate Jonathan Bach, the son of the former Supreme Court Judge Gabriel Bach. Jonathan, who passed away in 2004, was an especially unique person, a salt of the earth kind of guy. I also worked with Advocate Roni Bachar and mainly with Advocate Baruch Gross.

"When I worked at S. Horowitz, we primarily worked on the "Company Parisien de Participacion" lawsuit against businessman Plato Sharon. Sharon was being sued for establishing a line of shell corporations, through which he was receiving finances for his other businesses. It was an extremely big and intricate case. We also dealt a great deal with Plato's asset receiverships, and to this day the case is being taught at the Universities.



בית און בביתו ברמת השרון, "כשיוצאים מהבית בשש בבוקר וחוזרים בעשר בלילה, קשה לדעת מי גר לידך"

Bet-On in his Ramat Hasharon home. "When you leave the house every morning at six and come back at ten at night, it's hard to know who lives next door to you".

"Rehabilitation should commence prior to the passing away of the company.

Business owners have a difficult time internalizing this and they reach this insight too little too late. Suspension of proceedings, arrangements with creditors and corporate rehabilitation facilitate the economy and help prevent unemployment".

Working in the USA

"After my internship I came to the US with \$3000 in my wallet and got accepted to work at a large law firm in Manhattan, H&K.L.W. The firm was huge, employing 300 lawyers. It was there that I had my first encounter with corporate rehabilitations, insolvency, company liquidations and receiverships, all which I still deal with today. In law school in Tel Aviv and at S. Horowitz I came across people who were at a higher socio-economic level than I was. Although I was never really bothered by it, I always felt that I had to prove myself.

"When I came to the US my English wasn't too good and that forced me to stay up late at night and study; I improved over the years and I learned quickly from sharing an apartment with Americans.

After three years in Manhattan, I decided to go back to Israel, even though I was having a good time and doing well for myself. I didn't want to raise my children in the US. I didn't want to have children who would take me to watch baseball games. It is not my "thing" and it was not the childhood I had; I wanted my children to grow up as Israelis.

Moving on to Independence

"I moved back to Israel and opened my own law firm at the Asia House in Tel Aviv. My first client was a metal corporation, whose owners I met in the US. One of its owners was a former Jewish Australian who relocated to New York and wanted to move back and settle down in Israel. When I moved back to Israel, he used that as leverage to settle down in Israel as well and raise a family here.

"My field of work was extremely underdeveloped in Israel at the time. I introduced the topic of assets receivership as part of civil procedure regulations. Today, it's standard procedure to file a financial lawsuit and request asset receivership for the defendant. In the past, this procedure was different and I implemented the change in the country.

"The first turning point in my career was the liquidation of Nur Advertising. After operating the company for two years, the Company shifted from a negative cash flow to a positive one. It was a fascinating case, including all imaginable and unimaginable issues. I was ultimately able to sell the Company, valued at 6 million NIS, in a courtroom bid between "Maariv" and "Yediyot Aharonot" for 17 million NIS. After that, I rehabilitated numerous other companies".

Daily Schedule

"I'm a marathon runner and that forces me to get up early in the mornings and run. In the last ten years I ran five marathons. Marathons require many hours of training. Today I train less frequently than before but I still train. After my morning run I read the newspapers and drive to my office in Ramat Hachayal in Tel Aviv. I am either in my office working or away at meetings. I have court appearances and hearings that last extremely long hours. I used to employ 30 attorneys but today I employ four. I've had enough at this point. We deal with a very specific niche. After a days' work, I come home at around nine or ten at night, I watch TV and got to bed".

An Important Precedent this Year

"I recently served as an official receiver in a case in which the Supreme Court determined an important ruling that concerns the economy as a whole. According to the ruling, anyone requesting to take out a mortgage on real estate from a bank or from any other financial institution must attach to his request a confirmation from the municipality that all property tax payments were made, just as is with selling real estate and registering at the Land Registry (the Tabu Office)".

Corporate Rehabilitation

"In Israel, the 'corporate rehabilitation' tool is not sufficiently utilized. In order to rehabilitate a company, the process needs to start before the company passes away. Many business owners have a difficult time internalizing this and they reach this insight too little too late. Suspension of proceedings, arrangements with creditors and corporate rehabilitation greatly facilitate the economy and emancipate employees from the ever growing cycles of unemployment.

"To be a corporate liquidator and to investigate the circumstances that brought on the collapse of the company, just as Advocate Yossi Segev is doing in the case of the Tao "Tsuot" (yields) Ltd., where he is in battle with Bank Leumi; it's always difficult and inconvenient because there will always be those who will look for ways to evade your authority as a position holder, as a liquidator, as an official receiver. Yossi Segev went into the bits and bytes of Bank Leumi and its conduct and banks do not like to be scrutinized".

The Departure from the Benleumi

"I represented the Benleumi for 20 years. Ultimately, in 2006, on the basis of their attempts to split my law ordered salary with me, we parted with a door slam. My claim is that that they didn't pay me all that they should have. The amount in question was 5 million NIS but with interest and linkage, it adds up to much more. They claim that I took more than I should have.

"Let me put it this way: they conducted themselves with me in an undignified manner and in order to obtain my salary that is right there in their pocket and not in mine, I'm forced to go into war with a bank, which is not an easy war to fight. The bank has a lot of power and to enter a dispute with a bank is an extremely difficult matter. The bank is a tremendously powerful body. We have mutual claims and lawsuits, with the court hearings scheduled for September in the Shalom Tel Aviv Courthouse. At this point, I'm representing myself and they will be represented by Advocate Jonathan Sanders. Today I am on the other side; I switched over and I represent bank debtors as well as consult in procedure suspension and corporate rehabilitation".

Centralization as the Culprit of Haircuts¹

"For a long time I maintained that the fact that six – seven families have virtually complete control and ownership of the Israeli economy is wrong. The fact that these families owned and controlled most of the economy did not allow for competition to take place and did not enable those with talent to gain market share. I commend those who were able to reach a so -called tycoon status based on their creativity, such as Gil Schweid; individuals who have made it, and whose earned respect is well-deserved. But the volume of credit that was given to these six, seven families brought on haircuts that we have been witnessing in recent years and which we knew would happen sooner or later.

"The loans that were given were massive and the money was directed to other resources, some of which were not right. Eventually, it all ended up in court that was forced to rule in very tough state of affairs that shouldn't have reached to the point it did. The IDB and Nochi Dankner case was wisely handled by Judge Eitan Orenstein. He brought on a turning point that clarified that a tycoon may become a sardine if he doesn't pay back all of his debts to his creditors. I believe that this is the first time that a tycoon loses control over corporations. Up until today, tycoons were accustomed to come and say "haircuts" and at the end of the day they were able to keep their businesses, but in a much more sensible manner – at the expense of the creditors".

"The Secret of My Success"

"First and foremost, the support of my wife and my kids and secondly my drive and talent. In my line of work, which includes corporate rehabilitation, finding solutions for insolvency, bankruptcies, liquidations and receiverships, you deal with so many intricate areas that you must have the ability to catch on and understand things rapidly, react quickly and generate an outcome of your talent. I don't think that there was anyone else in the country who rehabilitated more companies than I did".

If I Wasn't a Lawyer...

If I wasn't a lawyer I would have most likely been a designer or architect. I very much like this field; and if not those two options than I probably would have been some sort of businessman".

Leisure Time

"I ride my dirt bike and mountain bike and I run marathons but these days my family's favorite pastime is water skiing. We have a boat that anchors in the Kinneret and on weekends and holidays we drive up North and sail. We also do wakeboarding which is surfing on the water using a long rope. You move from one wave to the next, from side to side, jump and then jump back".

¹ In finance, a haircut is a percentage that is subtracted from the market value of an asset that is being used as collateral (Wikipedia).

Dreams and Aspirations

"I have a few plans and aspirations for the future. One plan is to complete my Ph.D. in law; a second plan is to finish writing a book I once started on corporate rehabilitation. I also want to continue doing my sports and my daily law work".

Résumé

- **Personal:** Advocate Ishay Bet-On (58) grew up in Givatayim and Jerusalem; He currently resides in Ramat Hasharon with his kids, Ofri (18) and Omer (20) and with his wife Edna Beigel and her son Adam (19).
- **Professional:** owns a law firm, with five attorneys, that deals with liquidations and receiverships, corporate rehabilitation, real estate and litigation.
A graduate of the Tel Aviv Faculty of Law. Interned at the S. Horowitz Law Firm and worked as an attorney at H&K.L.W. in New York.
He founded the Corporate Rehabilitation Committee in the Israeli Bar Association.
Represents the Bar Association in lawsuits against lawyers.
Lecturers locally and abroad on the topic of insolvency.
Promoted regulations in the Israeli Knesset regarding legal fees and liquidators, who increased their salaries by about 15%, compared with the past.