BLACKROCK ENHANCED CAPITAL & INCOME FUND, INC.
Form NSAR-BT
February 26, 2015

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SIGNATURE   ERIKA A. HEARN
TITLE       MANAGER
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99.1
Press Release: Magal Wins $10 Million in Orders to Secure and Maintain Critical Power Utility Sites in LatAm dated May 10, 2016.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MAGAL SECURITY SYSTEMS LTD.
(Registrant)

By: /s/Saar Koursh
Saar Koursh
Chief Executive Officer

Date: May 10, 2016

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Press Release: Magal Wins $10 Million in Orders to Secure and Maintain Critical Power Utility Sites in LatAm dated May 10, 2016.

et market segments underserved by traditional communications companies: our customers tend to be younger, have lower incomes and include a greater percentage of ethnic minorities. We have designed the Cricket service to appeal to customers who value unlimited mobile calling with a predictable monthly bill and who make the majority of their calls from within their Cricket service area. Results from our internal customer surveys indicate that approximately 50% of our customers use our service as their sole phone service and 90% as their primary phone service. For the year ended December 31, 2005, our customers used our Cricket service for an average of 1,450 minutes per month, which we believe was substantially above the U.S. wireless national carrier customer average.

Our premium Cricket service plan, which is our most popular service plan, offers customers unlimited local and domestic long distance service from their Cricket service area combined with unlimited use of multiple calling features and messaging services for a flat rate of $45 per month. Approximately 60% of Cricket customers as of March 31, 2006 subscribed to this premium plan, and a substantially higher percentage of new Cricket customers in the quarter ended March 31, 2006 purchased this plan. We also offer a basic service plan which allows customers to make unlimited calls within their Cricket service area and receive unlimited calls from any area for $35 per month and an intermediate service plan which also includes unlimited long distance service for $40 per month. In 2005 we launched our first per-minute prepaid service, Jump Mobile, to bring Cricket s attractive value proposition to customers who prefer active control over their wireless usage and to better target the urban youth market.

The majority of existing wireless customers in the U.S. subscribe to post-pay services that require credit approval and a contractual commitment from the subscriber for a period of at least one year, and include overage charges for call volumes in excess of a specified maximum. According to International Data Corporation, or IDC, U.S. wireless penetration is currently estimated at approximately 70%. We believe that customers who require a significantly larger amount of voice usage than average, are price-sensitive, have lower credit scores or prefer not to enter into fixed-term contracts represent a large portion of the remaining growth potential in the U.S. wireless market. We believe our services appeal strongly to these customer segments. We believe that we are able to serve these customers and generate significant OIBDA (operating income before depreciation and amortization) because of our high-quality networks and low customer acquisition and operating costs.

We sell our Cricket handsets and service primarily through two channels: Cricket s own retail locations and kiosks (the direct channel); and authorized dealers and distributors, including premier dealers, local market authorized dealers, national retail chains and other indirect distributors (the indirect channel). Premier dealers are independent dealers that sell Cricket products, usually exclusively, in stores that look and function similar to our company-owned stores, enhancing the in-store experience and level of service for our customers and expanding our brand presence within a market. As of March 31, 2006, we and ANB 1 License had 91 direct locations and 1,660 indirect distributors, including 202 premier dealers. Premier dealers tend to generate significantly more business than other indirect dealers, and we plan to continue to significantly expand the number of premier dealer locations in 2006. Our direct sales locations were responsible for approximately 32% of our gross customer additions in 2005. We place our direct and indirect retail locations strategically to focus on our target customer demographic and provide the most efficient market coverage while minimizing cost. As a result of our product design and cost-efficient distribution system, we have been able to achieve a cost per gross customer addition (CPGA), which measures the average cost of acquiring a new customer, that is significantly lower than most of our competitors.

We believe that our business model is scalable and can be expanded successfully into adjacent and new markets because we offer a differentiated service and an attractive value proposition to our customers at costs significantly lower than most of our competitors. By building or enhancing market clusters, we are able to increase the size of our unlimited Cricket service area for our customers, while leveraging our existing network investments to improve our economic returns. An example of our market-cluster strategy is the Fresno, California market we recently launched to complement the adjacent Visalia and Modesto, California markets, which doubled the covered POPs in our Central Valley cluster. We are also strategically expanding into new markets that meet our internally developed customer demographics and population density criteria. An example of this strategy is the license for the San Diego, California market that we acquired in the Federal Communication Commission s, or FCC s, Auction #58. We believe that we will be able to offer Cricket service on a cost-competitive basis in this market and the other markets we acquired in Auction #58. During 2006 we expect to launch a significant number of new markets that we and ANB 1 License acquired in the FCC s Auction #58, and to participate (directly and/or by partnering with another entity) as a bidder in the FCC s upcoming auction for Advanced Wireless Services, or Auction #66.

Our Business Strengths

Simple, Yet Differentiated, Service. Our service plans are designed to attract customers by offering simple, predictable and affordable wireless services that are a competitive alternative to traditional wireless and wireline services. Unlike traditional wireless service providers, we offer high-quality service on a flat-rate, unlimited-usage basis, without requiring fixed-term contracts, early termination fees or credit checks, providing a high value/low price proposition for customers.

Proven Business Model. Our business model has enabled us to achieve significant growth in our subscriber numbers in our existing markets, allowing us to spread our fixed costs over a growing customer base. Over the last eighteen months, we also have experienced significant growth in our average revenue per user (ARPU), while maintaining customer acquisition and operation costs that are among the lowest in the industry. As a result, we are able to generate substantial cash flow in our existing markets.

Low-Cost Provider. Our business model is designed to provide service to customers at a cost significantly lower than most of our competitors, enabling us to achieve attractive economics. We minimize capital costs by engineering our high-quality, efficient networks to cover only the areas of our markets where most of our potential customers live, work and play. We reduce general operating costs through our efficiently designed networks that focus on densely popu-

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lated areas, lean overhead structure, fast follower approach that reduces development costs, streamlined billing procedures and control of customer care expenses. We maintain low customer acquisition costs through our focused sales and marketing, low handset subsidies and cost-effective distribution strategies.

Attractive Growth Prospects. We believe that our business model is highly scalable, with the potential to generate increased cash flow over time by increasing penetration in our existing markets, building and enhancing market clusters and selectively investing in new strategic markets that reflect our target customer demographics and other internal criteria for expansion.

High-Quality Networks. We have deployed in each of our markets a 100% Code Division Multiple Access radio transmission technology, or CDMA 1xRTT, network that delivers high capacity and outstanding quality at a low cost that can be easily upgraded to support enhanced capacity. We have begun deploying CDMA2000® 1xEV-DO technology in certain existing and new markets to support next generation high-speed data services. Our networks have regularly been ranked by third party surveys commissioned by us as one of the top networks within the advertised coverage area in the markets Cricket serves.

Our Business Strategy

Target Underserved Customer Segments. Our services are targeted primarily toward market segments underserved by traditional communications companies. On average, our customers tend to be younger and have lower incomes than the customers of other wireless carriers. Moreover, our customer base also reflects a greater percentage of ethnic minorities than those of the national carriers. We believe these underserved market segments are among the fastest growing population segments in the U.S.

Continue to Develop and Evolve Products and Services. We continue to develop and evolve our product and service offerings to better meet the needs of our target customer segments. For example, during the last two years, we have added instant text messaging, multimedia (picture) messaging, games and our Travel Time™ roaming option to our product portfolio, and we anticipate launching new usage-based data platforms and services in 2006 to better meet our customer needs. With our deployment of 1xEV-DO technology, we believe we will be able to offer an expanded array of services to our customers, including high-demand wireless data services such as mobile content, location-based services and high-quality music downloads at speeds of up to 2.4 Megabits per second.

Build Our Brand and Strengthen Our Distribution. We are focused on building our brand awareness in our markets and improving the productivity of our distribution system. Since our target customer base is diversified geographically, ethnically and demographically, we have decentralized our marketing programs to support local customization while optimizing our advertising expenses. We have redesigned and re-merchandized our stores and introduced a new sales process aimed at improving both the customer experience and our revenue per user. We have also initiated a new premier dealer program, and in 2006 we plan to enable our premier dealers and other indirect dealers to provide greater customer support services. We expect these changes will enhance the customer experience and improve customer satisfaction.

Enhance Market Clusters and Expand Into Attractive Strategic Markets. We intend to seek additional opportunities to enhance our current market clusters and expand into new geographic markets, by acquiring spectrum in FCC auctions, such as Auction #66, or in the spectrum aftermarket, or by participating in partnerships or joint ventures. Examples of our market-cluster strategy include the Fresno, California market we recently launched to complement the adjacent Visalia and Modesto, California markets in our Central Valley cluster and the Oregon cluster we intend to create by contributing our Salem and Eugene, Oregon markets to a joint venture which owns a license for Portland, Oregon. Examples of our strategic market expansion include the five licenses in central Texas, including Houston, Austin and San Antonio, and the San Diego, California license that we and ANB 1 License acquired in

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Auction #58, all of which meet our internally developed criteria concerning customer demographics and population density.

Corporate Information

Leap was formed as a Delaware corporation in June 1998. Leap s shares began trading publicly in September 1998, and we launched our innovative Cricket service in March 1999. In April 2003, Leap, Cricket and substantially all of their subsidiaries filed voluntary petitions for relief under Chapter 11 in federal bankruptcy court. On August 16, 2004, our plan of reorganization became effective and we emerged from Chapter 11 bankruptcy. On that date, a new board of directors of Leap was appointed, Leap s previously existing stock, options and warrants were cancelled, Leap s long-term indebtedness was reduced substantially, and Leap issued 60 million shares of new Leap common stock to two classes of creditors. See Business Chapter 11 Proceedings Under the Bankruptcy Code. On June 29, 2005, Leap became listed on the Nasdaq National Market under the symbol LEAP.

Our principal executive offices are located at 10307 Pacific Center Court, San Diego, California 92121 and our telephone number at that address is (858) 882-6000. Our principal websites are located at www.leapwireless.com, www.mycricket.com and www.jumpmobile.com. The information contained in, or that can be accessed through, our websites is not part of this prospectus.

Leap is a U.S. registered trademark of Leap, and a trademark application for the Leap logo is pending. Cricket is a U.S. registered trademark of Cricket. In addition, the following are trademarks or service marks of Cricket: Unlimited Access, Unlimited Plus, Unlimited Classic, Jump, Travel Time, Cricket Clicks and the Cricket K.

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The Offering

Common stock offered	5,600,000 shares
Common stock to be outstanding after settlement of the forward sale agreements assuming physical settlement	66,824,279 shares
Use of proceeds	We will not receive any proceeds from the sale of the shares of common stock borrowed and sold by the forward counterparties (or their affiliates) pursuant to this prospectus. If the forward sale agreements are physically settled within one year of the date of this prospectus, then we will receive proceeds from the sale of common stock upon settlement of the forward sale agreements. If the forward sale agreements are not physically settled, then, depending on the price of Leap common stock at the time of settlement and the relevant settlement method, we may receive no proceeds from the settlement of the forward sale agreements. See Underwriting for a description of the forward sale agreements. To the extent the forward counterparties (or their affiliates) do not borrow the full amount of common stock to be sold in this offering, we will sell and receive proceeds from such number of shares of common stock as part of this offering. We intend to use the net proceeds, if any, received upon the settlement of the forward sale agreements and from any sales by us in this offering for general corporate purposes and working capital, including the acquisition of wireless licenses.
Nasdaq National Market symbol	LEAP
Risk factors	See Risk Factors and the other information in this prospectus for a discussion of the factors you should carefully consider before deciding to invest in Leap common stock.

The number of shares of common stock to be outstanding after settlement of the forward sale agreements assuming physical settlement is based on our shares outstanding as of May 4, 2006, and this information excludes:

600,000 shares of common stock issuable upon the exercise of outstanding warrants at an exercise price of $16.83;

2,133,068 shares of common stock reserved for issuance upon the exercise of outstanding stock options at a weighted average exercise price of $26.50;

791,970 shares of common stock available for future issuance under our Employee Stock Purchase Plan;

an aggregate of 1,450,683 shares of common stock available for future issuance under our 2004 Stock Option, Restricted Stock and Deferred Stock Unit Plan; and

upon the closing of the LCW Wireless transaction, Leap will have reserved five percent of its outstanding common stock from time to time, which would have been 3,061,214 shares as of May 4, 2006, for potential issuance to CSM Wireless, LLC, or CSM, upon the exercise of CSM s option to put its entire equity interest in LCW Wireless, LLC, or LCW Wireless, to Cricket. Subject to certain conditions and restrictions in our senior secured credit facility, we will be obligated to satisfy the put price in cash or in shares of Leap common stock, or a combination of cash and common stock, in our sole discretion. See Business Arrangements with LCW Wireless.

In addition, except where we stated otherwise, the information we present in this prospectus assumes no exercise of the underwriters over-allotment option.

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Summary Consolidated Financial Data

The following tables summarize the financial data for our business, which are derived from our consolidated financial statements and have been restated for the five months ended December 31, 2004 to reflect adjustments that are further discussed in Note 3 to the audited annual consolidated financial statements included elsewhere in this prospectus. For a more detailed explanation of our financial condition and operating results, you should read Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus. References in these tables to Predecessor Company refer to Leap and its subsidiaries on or prior to July 31, 2004. References to Successor Company refer to Leap and its subsidiaries after July 31, 2004, after giving effect to the implementation of fresh-start reporting. The financial statements of the Successor Company are not comparable in many respects to the financial statements of the Predecessor Company because of the effects of the consummation of the plan of reorganization as well as the adjustments for fresh-start reporting.

	Predecessor Company				Successor Company			
	Year Ended December 31,			Seven Months Ended July 31,	Five Months Ended December 31,	Year Ended December 31,	Three Months Ended March 31,	
	2001	2002	2003	2004	2004	2005	2005	2006
					(As Restated)			
	(As Restated) (in thousands, except per share data)							
Statement of Operations Data:								
Revenues:								
Service revenues	$ 215,917	$ 567,694	$ 643,566	$ 398,451	$ 285,647	$ 763,680	$ 185,981	$ 215,840
Equipment revenues	39,247	50,781	107,730	83,196	58,713	150,983	42,389	50,848
Total revenues	255,164	618,475	751,296	481,647	344,360	914,663	228,370	266,688
Operating expenses:								
Cost of service (exclusive of items shown separately below)	(94,510)	(181,404)	(199,987)	(113,988)	(79,148)	(200,430)	(50,197)	(55,204)

Cost of equipment	(202,355)	(252,344)	(172,235)	(97,160)	(82,402)	(192,205)	(49,178)	(58,886)
Selling and marketing	(115,222)	(122,092)	(86,223)	(51,997)	(39,938)	(100,042)	(22,995)	(29,102)
General and administrative	(152,051)	(185,915)	(162,378)	(81,514)	(57,110)	(159,249)	(36,035)	(49,582)
Depreciation and amortization	(119,177)	(287,942)	(300,243)	(178,120)	(75,324)	(195,462)	(48,104)	(54,036)
Impairment of indefinite-lived intangible assets		(26,919)	(171,140)			(12,043)		
Loss on disposal of property and equipment		(16,323)	(24,054)					
Total operating expenses	(683,315)	(1,072,939)	(1,116,260)	(522,779)	(333,922)	(859,431)	(206,509)	(246,810)
Gain on sale of wireless licenses and operating assets	143,633	364	4,589	532		14,587		
Operating income (loss)	(284,518)	(454,100)	(360,375)	(40,600)	10,438	69,819	21,861	19,878
Equity in net loss of and write-down of investments in and loans receivable from unconsolidated wireless operating companies	(54,000)							
Minority interest in						(31)		(75)

loss of consolidated subsidiary								
Interest income	26,424	6,345	779		1,812	9,957	1,903	4,194
Interest expense	(178,067)	(229,740)	(83,371)	(4,195)	(16,594)	(30,051)	(9,123)	(7,431)
Foreign currency transaction losses, net	(1,257)							
Gain on sale of unconsolidated wireless operating company		39,518						
Other income (expense), net	8,443	(3,001)	(176)	(293)	(117)	1,423	(1,286)	535

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Predecessor Company				Successor Company			
Year Ended December 31,			Seven Months Ended July 31,	Five Months Ended December 31,	Year Ended December 31,	Three Months Ended March 31,	
2001	2002	2003	2004	2004	2005	2005	2006

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