

AROTECH CORP
Form 5
February 17, 2006

FORM 5

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

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
SHEN AVIHAI

(Last) (First) (Middle)

C/O AROTECH CORPORATION, 334 INDUSTRY DRIVE

(Street)

AUBURN, AL 36832

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
AROTECH CORP [ARTX]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
V.P. Finance (CFO)

6. Individual or Joint/Group Reporting

(check applicable line)

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Price	40,500	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)
					(A)	(D)	Date Exercisable	Expiration Date	
STOCK OPTION (RIGHT TO BUY)	\$ 1.34	09/26/2000	Â	I	3,000	Â	08/30/2001	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.34	09/26/2000	Â	I	3,000	Â	08/30/2002	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.66	12/31/2001	Â	I	9,500	Â	04/30/2002	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.3	10/30/2001	Â	I	2,719	Â	12/31/2001	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.11	06/05/2002	Â	I	4,800	Â	10/30/2002	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.11	06/05/2002	Â	I	3,600	Â	10/30/2003	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.11	06/05/2002	Â	I	3,600	Â	10/30/2004	10/15/2014	COMMON STOCK
STOCK OPTION (RIGHT TO BUY)	\$ 1.42	04/01/2002	Â	I	8,153	Â	04/01/2002	10/15/2014	COMMON STOCK

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TO BUY)										
STOCK OPTION (RIGHT TO BUY)	\$ 0.73	07/01/2002	Â	I	8,153	Â	07/01/2002	10/15/2014	COMMON STOCK	
STOCK OPTION (RIGHT TO BUY)	\$ 0.85	10/01/2002	Â	I	8,153	Â	10/01/2002	10/15/2014	COMMON STOCK	
STOCK OPTION (RIGHT TO BUY)	\$ 0.61	01/01/2003	Â	I	12,476	Â	01/01/2003	10/15/2014	COMMON STOCK	1
STOCK OPTION (RIGHT TO BUY)	\$ 0.43	02/24/2003	Â	I	40,000	Â	01/01/2004	10/15/2014	COMMON STOCK	4
STOCK OPTION (RIGHT TO BUY)	\$ 0.43	02/24/2003	Â	I	40,000	Â	01/01/2005	10/15/2014	COMMON STOCK	4
STOCK OPTION (RIGHT TO BUY)	\$ 0.85	07/09/2003	Â	I	20,000	Â	12/30/2003	10/15/2014	COMMON STOCK	2
STOCK OPTION (RIGHT TO BUY)	\$ 0.85	07/09/2003	Â	I	20,000	Â	07/09/2004	10/15/2014	COMMON STOCK	2
STOCK OPTION (RIGHT TO BUY)	\$ 0.85	07/09/2003	Â	I	40,000	Â	01/01/2005	10/15/2014	COMMON STOCK	4
STOCK OPTION (RIGHT TO	\$ 0.85	07/09/2003	Â	I	40,000	Â	05/01/2005	10/15/2014	COMMON STOCK	4

BUY)

STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.28	10/13/2003	Â	I	48,750	Â	10/13/2003	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.28	10/13/2003	Â	I	47,500	Â	07/09/2004	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.28	10/13/2003	Â	I	47,500	Â	07/09/2004	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.28	10/13/2003	Â	I	47,500	Â	06/09/2005	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.28	10/13/2003	Â	I	142,500	Â	06/30/2005	10/15/2014	COMMON STOCK	1
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.2	08/09/2004	Â	I	6,250	Â	08/09/2004	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.2	08/09/2004	Â	I	6,250	Â	08/09/2004	10/15/2014	COMMON STOCK	4
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STOCK
OPTION
(RIGHT
TO
BUY)

\$ 1.2	08/09/2004	Â	I	6,250	Â	08/09/2004	10/15/2014	COMMON STOCK	4
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Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

SHEN AVIHAI
C/O AROTECH CORPORATION ^ ^ ^ V.P. Finance (CFO) ^
334 INDUSTRY DRIVE
AUBURN, AL 36832

Signatures

/s/ Avihai Shen 02/14/2006

**Signature of Date
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Between May 2001 and December 2002, Mr. Shen agreed to forego, each month, part of his base salary in exchange for, each month, options to purchase stock of the issuer, at a rate of 2.5 op-tions for each dollar of salary, on the terms specified above.

^

Remarks:

Mr. Shen is not the CFO of Arotech as of the date of signing this form.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.