

VYYO INC
Form 4
December 11, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
GOLDMAN SACHS GROUP INC/

2. Issuer Name and Ticker or Trading Symbol
VYYO INC [VYYO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
12/07/2007

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

85 BROAD ST

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

NEW YORK, NY 10004

(City) (State) (Zip)

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/07/2007		S		1,651,982	D	\$ 3.97
					0	(3)	
						I	
							See footnotes (1) (2) (3)

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

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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)
5% Convertible Note due March 27, 2012	\$ 10	12/07/2007		S	\$ 35,000,000	⁽⁵⁾ 03/27/2012	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GOLDMAN SACHS GROUP INC/ 85 BROAD ST NEW YORK, NY 10004		X		
GOLDMAN SACHS & CO 85 BROAD STREET NEW YORK, NY 10004		X		

Signatures

/s/ Andrea Louro DeMar,
Attorney-in-fact
Date: 12/11/2007

**Signature of Reporting Person Date

/s/ Andrea Louro DeMar,
Attorney-in-fact
Date: 12/11/2007

**Signature of Reporting Person Date

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) This statement is being filed by The Goldman Sachs Group, Inc. ("GS Group") and Goldman, Sachs & Co. ("Goldman Sachs" and together with GS Group, the "Reporting Persons"). Goldman Sachs is a wholly-owned subsidiary of GS Group.

(2) On December 7, 2007, Goldman Sachs sold (the "Fund Shares") 1,651,982 shares of common stock, \$0.0001 par value per share ("Common Stock") of Vyyo, Inc. (the "Company"), and \$35,000,000 in aggregate principal amount of the Company's 5% Convertible Note due March 27, 2012 ("Convertible Note") to Goldman Sachs Investment Partners Master Fund, L.P. ("GSIP"), a separate business unit within the Goldman organization. The price paid by GSIP to Goldman Sachs was \$3.97 per share, which was the closing price of the Common Stock on the Nasdaq National Market on December 6, 2007. The price paid by GSIP to Goldman Sachs for the Convertible Note was \$87.1601 per \$100 of principal amount of the Convertible Note. Without admitting any legal obligation, Goldman Sachs will remit appropriate profits, if any to the Company.

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- (3) On December 7, 2007, as a result of the Fund Transfer, the Reporting Persons ceased to be the beneficial owners of more than 10% of the Common Stock of the Company.

The Convertible Note is convertible at any time at the holder's option into shares of Common Stock determined by dividing the aggregate principal amount by a conversion price of \$10.00 per share, subject to adjustment. Pursuant to the terms of the Convertible Note, the

- (4) holder of the Convertible Note shall not have the right to convert any portion of the Convertible Note into Common Stock to the extent that after giving effect to such conversion and taking into account all other shares of Common Stock beneficially owned by the holder, such holder would beneficially own in excess of 14.8% of the Common Stock outstanding.

- (5) Immediately exercisable

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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