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FREQUENCY ELECTRONICS INC
Form SC 13D/A
March 03, 2006

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. ___)*

FREQUENCY ELECTRONICS, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

35801010

(CUSIP Number)

Robert B. Deans III, Inverness Counsel, Inc.,
545 Madison Ave., New York, NY 10022 [212] 207-2110

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

December 30, 1997

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box: /X/

Check the following box if a fee is being paid with the statement: / /

CUSIP No. 35801010

SCHEDULE 13D

Page 2 of 13 Pages
- --

1. Name of Reporting Person
S.S. or I.R.S. Identification No. of Above Person

INVERNESS COUNSEL, INC.
EIN #13-3631802

2. Check the Appropriate Box if a Member of a Group (a) / /
(b) /x/

3. SEC Use Only

4. Source of Funds

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5. Check Box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) / /

6. Citizenship or Place of Organization

Delaware

7. Sole Voting Power

Number of Shares

8. Shared Voting Power

Beneficially

Owned by Each

9. Sole Dispositive Power

Reporting Person

308,846

With

10. Shared Dispositive Power

11. Aggregate Amount Beneficially Owned by Each Reporting Person

308,846

12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares* / /

13. Percent of Class Represented by Amount in Row (11)

11.2%

14. Type of Reporting Person*

IA

Schedule 13D

Item 1. Security and Issuer

This statement relates to shares of common stock, \$1.00 par value per share, of the issuer hereinbelow named:

Frequency Electronics, Inc.
55 Charles Lindbergh Boulevard
Mitchel Field, NY 11553

Item 2. Identity and Background

(a) The identity of the reporting person is:

Inverness Counsel, Inc. ("Inverness")

The identity of (i) the executive officers and directors of Inverness, (ii) the person controlling Inverness and (iii) the persons ultimately in control of Inverness are set forth on Exhibit "A" hereto.

(b) The business address of the reporting person is:

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545 Madison Avenue
New York, NY 10022

The business addresses of the persons referred to in paragraph (a) of this Item 2, other than Inverness, are likewise set forth on Exhibit "A" hereto.

(c) Inverness is an investment advisor registered under the Investment Advisors Act of 1940, as amended.

The principal occupation or employment of the persons referred to in paragraph (a) of this Item 2, other than Inverness, are likewise set forth on Exhibit "A" hereto.

(d) None as to Inverness and as to the persons referred to in paragraph (a) of this Item 2.

(e) None as to Inverness and as to the persons referred to in paragraph (a) of this Item 2.

(f) The reporting person is a Delaware corporation. The persons referred to in paragraph (a) of this Item 2, other than Inverness, are United States citizens.

Item 3. Source and Amount of Funds or Other Consideration

The 308,846 shares of common stock of the issuer referred to in the first sub-paragraph of paragraph (a) of Item 5 hereof were purchased for and on behalf of clients of Inverness, in the ordinary course of business for

investment from the personal funds of such clients for an aggregate price of \$7,426,131. No part of such purchase price was represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring such shares. The shares were acquired by purchase on the open market on the national securities exchange on which the shares of common stock of the issuer are traded.

The 35,950 shares of common stock of the issuer owned by the persons listed on Exhibit "A" referred to in paragraph (a) of Item 2 hereof and set forth on Exhibit "B" hereto were acquired for investment from the personal funds of each such person for an aggregate price of \$271,614. To the knowledge of the reporting person, no part of the purchase price of such shares was represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring such shares. All such shares were acquired on the open market on the national securities exchange on which the shares of common stock of the issuer are traded.

Item 4. Purpose of Transaction

The purpose of the acquisition of the shares of common stock of the issuer is investment. Neither the client owners of the shares nor Inverness, as reporting person, nor any of the persons listed on Exhibit "A" referred to in paragraph (a) of Item 2 hereof, have any plans or proposals at present which relate to or would result in any of the actions referred to in paragraphs (a) through (j) of Item 4 hereof.

Notwithstanding the foregoing, Philip S. Lawrence, a managing director of Inverness, will become a member of a Board of Advisors established by the issuer, which Board is intended to advise and consult with the management of the issuer with a view to enhancing the business operations and activities of the issuer for the purpose of maximizing the value inherent in the issuer for the

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benefit of the holders of its outstanding shares of capital stock.

Inverness disclaims any intention of changing or influencing the control of the issuer and the filing of this statement on Schedule 13D shall not be construed as an admission that it has any such intention for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended.

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Item 5. Interest in Securities of the Issuer

(a) Inverness may be deemed to "beneficially own" 308,846 shares of the common stock of the issuer pursuant to Reg. Section 240.13d-3 under the Securities Exchange Act of 1934, as amended, as of November 30, 1997. Such number of shares amounts to 11.17 percent of the total number of shares of common stock issued and outstanding as of that date.

Notwithstanding the foregoing, Inverness disclaims beneficial ownership of such shares and the filing of this statement on Schedule 13D shall not be construed as an admission that it is the "beneficial owner" of any securities covered by such statement for purposes of Sections 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended.

The persons listed on Exhibit "A" referred to in paragraph (a) of Item 2 hereof own the 35,950 shares of common stock of the issuer set forth on Exhibit "B" hereto. Such number of shares amounts to 0.47% of the total number of shares of common stock issued and outstanding as of November 30, 1997. Such persons individually possess the exclusive voting power and/or investment power as to the shares shown as being owned by them.

(b) Inverness has the sole power to dispose or to direct the disposition of the 308,846 shares referred to in the first sub-paragraph of paragraph (a) of this Item 5. Inverness does not possess, nor does it share, the power to vote or to direct the vote of any of such shares.

The persons listed on Exhibit "A" referred to in paragraph (a) of Item 2 hereof do not possess the power, nor do they share the power, to dispose or to direct the disposition of the 854,100 shares referred to in the first sub-paragraph of paragraph (a) of this Item 5, other than as agents of Inverness, nor do they possess, nor share, the power to vote or to direct the vote of any of such shares. Notwithstanding the foregoing, such persons individually do have the exclusive power to dispose, or to direct the disposition of or to vote, or to direct the vote of, the aggregate of 35,950 shares referred to as being owned by them and set forth on Exhibit "B" hereto.

(c) During the past sixty (60) days, the persons named in response to paragraph (a) of this Item 5 effected the purchase transactions set forth on Exhibit "C" hereto. All of such purchases were effected on the open market on the national securities exchange on which the shares of common stock of the issuer are traded.

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(d) Neither Inverness nor the persons other than Inverness who are referred to in paragraph (a) of Item 2 hereof have the right to receive, or the power to direct the receipt of, either dividends from, or the proceeds from the sale of, the 308,846 shares referred to in the first sub-paragraph of paragraph

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(a) of this Item 5. Notwithstanding the foregoing, however, the persons other than Inverness referred to in paragraph (a) of Item 2 hereof do have the right to receive, or the power to direct the receipt of, either dividends from, or the proceeds from the sale of, any shares set forth as owned by them in Exhibit "B" referred to in the third sub-paragraph of Paragraph (a) of this Item 5. The clients of Inverness who own the economic interest in the 308,846 shares of common stock of the issuer referred to in the first sub-paragraph of paragraph (a) of this Item 5 have the sole right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such shares. To the knowledge of Inverness, no such client of Inverness owns an interest amounting to more than 5% of the outstanding shares of the class of securities identified in Item 1 hereof.

(e) Not applicable

Item 6. Contracts, Arrangements, Understanding or

Relationships with Respect to Securities of the Issuer

Other than as set forth herein, neither Inverness nor the persons listed on Exhibit "A" referred to in Section (a) of Item 2 hereof have any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect to any securities of the issuer. The issuer proposes to enter into an option agreement with Philip S. Lawrence, a managing director of Inverness, pursuant to the 1997 Independent Contractor's Stock Option Plan of the issuer in order to compensate Mr. Lawrence for his services on the Board of Advisors of the issuer referred to in Item 4 hereof. Such option agreement will grant Mr. Lawrence an option to purchase an aggregate of 37,500 shares of common stock of the issuer at a price equivalent to the market value of such shares as of the date of the grant. Messrs. Robert B. Deans, Jr., Chairman of Inverness, David W. Laughlin, President of Inverness, and Robert K. Maddock III, an employee of Inverness, will share in such options to the extent of 14,750 shares, 2,000 shares and 2,000 shares, respectively, in consideration of logistical support, advice and consultation rendered to Mr. Lawrence in connection with his services on the Board of Advisors of the issuer.

Item 7. Material to be Filed as Exhibits

Other than the option agreement referred to in answer to Item 6 hereof, no agreements exist relating to either (i) the filing of joint acquisition statements or (ii) plans or proposals with respect to (1) the borrowing of funds, (2) the acquisition of issuer control, liquidation, sale of assets, merger, or change in business or corporate structure or any other matter disclosed in Item 4 and (3) the transfer or voting of securities, finder's fees, joint ventures, options, puts, calls, guarantees of loans, guarantees against loss or of profit or the giving or withholding of any proxy.

Signature

After reasonable inquiry, and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

1/8/98

Date

/s/ Robert B. Deans, III

Signature

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Robert B. Deans, III

 Name/title Treasurer

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EXHIBIT "A "

The name, business address and principal occupation of (i) each executive officer and director of Inverness, as reporting person (ii) each person controlling Inverness and (iii) each executive officer and director of any corporation or other person ultimately in control of Inverness are as follows:

(i) Inverness:

The name, business address and principal occupation of each executive officer and director of Inverness is as follows:

Name -----	Business Address -----	Principal Occupation -----
Robert B. Deans, Jr., Chairman & director	545 Madison Avenue New York, NY 10022	Officer and employee of Inverness
George H. Garfield, Vice Chairman & director	545 Madison Avenue New York, NY 10022	Officer and employee of Inverness
David W. Laughlin, President & director	545 Madison Avenue New York, NY 10022	Officer and employee of Inverness
Robert B. Deans, III, Treasurer & director	545 Madison Avenue New York, NY 10022	Officer and employee of Inverness
William P. DuBose, Jr., Executive Vice President	545 Madison Avenue New York, NY 10022	Officer and employee of Inverness
Enno W. Ercklentz, Jr., Secretary	630 Fifth Avenue New York, NY 10111	Attorney at law
John W. Hanes, Jr., director	10500 Gee Norman Road Belgrade, MT 59714	Retired

(ii) Person controlling Inverness:

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Cromarty Management Corporation, a Delaware corporation ("Cromarty")

545 Madison Avenue

New York, NY 10022

Cromarty is the owner of 100% of the issued and outstanding shares of capital stock of Inverness.

The name, address and principal occupation of each executive officer and director of Cromarty is as follows:

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Name	Business Address	Principal Occupation
Robert B. Deans, Jr., Chairman, treasurer & director	545 Madison Avenue New York, NY 10022	Officer and employee of
George H. Garfield, Vice President & director	545 Madison Avenue New York, NY 10022	Officer and employee of
Robert B. Deans, III, President	545 Madison Avenue New York, NY 10022	Officer and employee of
Mary E. Bianco, Vice President	545 Madison Avenue New York, NY 10022	Officer and employee of
Enno W. Ercklentz, Jr., Secretary	630 Fifth Avenue New York, NY 10111	Attorney at law
John W. Hanes, Jr., director	10500 Gee Norman Road Belgrade, MT 59714	Retired

(iii) Person controlling Cromarty:

Deans Children Issue Trust u/a 12/4/85 ("Trust")
William Prickett and John W. Hanes, Jr., trustees

Trust is the owner of 100% of the issued and outstanding shares of capital stock of Cromarty.

The name, address and principal occupation of each trustee of the Trust is as follows:

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Name	Business Address	Principal Occupat
John W. Hanes, Jr., trustee	10500 Gee Norman Road Belgrade, MT 59714	Retired
William Prickett, Esq., trustee	Prickett, Jones, Elliott, Kristol & Schnee 1310 King St., Box 1328 Wilmington, DE 19899-1328	Attorney at la

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Exhibit "B"

	Number of Shares	Cost
	-----	----
Robert B. Deans, Jr. (incl. 1,950 shares owned by spouse)	13,350	\$ 51,997
Deans Children Issue Trust u/a 12/4/85	6,150	46,788
David W. Laughlin (incl. 6,550 shares owned by spouse and children)	10,000	144,900
William P. DuBose, Jr. (incl. 1,350 shares owned by spouse)	4,350	44,936
Robert B. Deans, III (incl. 6,000 shares owned by spouse and children)	9,750	55,264
William Prickett	3,000	28,052
	-----	-----
	46,600	\$371,937

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Exhibit "C"

	Person Effecting Transaction -----	Date of Transaction -----	Number of Shares -----	Pr
[A]	Inverness on behalf of advisory clients	10/22/97	800	2
	" "	10/22/97	2,000	2
	" "	10/22/97	1,000	2
	" "	10/22/97	1,000	2
	" "	10/23/97	2,500	2
	" "	10/23/97	500	2
	" "	10/23/97	2,000	2
	" "	10/28/97	9,300	2
	" "	10/28/97	5,000	2
	" "	10/28/97	700	2
	" "	10/28/97	400	2
	" "	10/28/97	900	2
	" "	10/31/97	400	2
	" "	10/31/97	200	2
	" "	10/31/97	200	2
	" "	10/31/97	500	2
	" "	10/31/97	800	2
	" "	10/31/97	1,000	2
	" "	10/31/97	1,000	2
	" "	10/31/97	3,100	2
	" "	10/31/97	700	2
	" "	10/31/97	400	2
	" "	10/31/97	1,800	2
	" "	10/31/97	1,400	2
	" "	10/31/97	1,000	2
	" "	11/04/97	300	2
	" "	11/04/97	2,000	2
	" "	11/04/97	300	2
	" "	11/05/97	900	2
	" "	11/05/97	6,000	2
	" "	11/05/97	1,500	2
	" "	11/12/97	200	2

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	Person Effecting Transaction -----	Date of Transaction -----	Number of Shares -----	Pr
	" "	11/13/97	2,000	2
	" "	11/13/97	1,500	2
	" "	11/14/97	2,000	2

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"	"	11/17/97	200	2
"	"	11/17/97	800	2
"	"	11/17/97	200	2
"	"	11/19/97	800	2
"	"	11/19/97	1,000	2
"	"	11/20/97	1,000	2
"	"	12/03/97	300	1
"	"	12/03/97	350	1
"	"	12/04/97	400	1
"	"	12/04/97	300	1
"	"	12/04/97	500	1
"	"	12/04/97	200	1
"	"	12/04/97	400	1
"	"	12/04/97	100	1
"	"	12/04/97	500	1
"	"	12/04/97	1,000	1
"	"	12/04/97	1,000	1
"	"	12/04/97	2,000	1
"	"	12/04/97	200	1
"	"	12/05/97	400	1
"	"	12/05/97	200	1
"	"	12/05/97	500	1
"	"	12/05/97	300	1
"	"	12/05/97	1,000	1
"	"	12/05/97	1,000	1
"	"	12/05/97	300	1
"	"	12/09/97	3,200	1
"	"	12/11/97	1,500	1

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[B]

Persons listed on
Exhibit "A" to Item 2

William P. DuBose, Jr.	10/31/97	1,000
David W. Laughlin (for children)	10/31/97	1,500
David W. Laughlin	11/07/97	500
Deans Issue Trust (for issue of Robert B. Deans, Jr.)	11/13/97	500

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