

NET2PHONE INC
Form 4
March 14, 2006

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 *
IDT CORP

2. Issuer Name and Ticker or Trading Symbol
NET2PHONE INC [NTP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
520 BROAD STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/13/2006

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

NEWARK, NJ 07102

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

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

(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 Indirect Beneficial Ownership (Instr. 4)
Common Stock, par value \$0.01 per share	03/13/2006		P	V 13,725,478 (1) (2)	A \$ 78,558,742 2.05 (3) (4)	I	See Footnote (5)
Common Stock, par value \$0.01 per share					1,523,798	D	

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)

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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IDT CORP 520 BROAD STREET NEWARK, NJ 07102		X		

Signatures

Joyce J. Mason, by Power of Attorney
Date: 03/14/2006

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).
- Represents 13,725,478 shares of common stock, par value \$0.01 per share (the "Net2Phone Common Stock"), of Net2Phone, Inc. ("Net2Phone") acquired by NTOP Acquisition, Inc. ("NTOP Acquisition"), a wholly-owned subsidiary of the Reporting Person, pursuant to an Agreement and Plan of Merger by and among the Reporting Person, NTOP Acquisition and Net2Phone dated February 17, 2006.
- (1) On March 13, 2006, the merger was consummated and NTOP Acquisition merged with and into Net2Phone, with Net2Phone remaining as the surviving corporation. Pursuant to the merger NTOP Acquisition acquired all of the issued and outstanding shares (the "Shares") of Net2Phone Common Stock and Class A common stock, par value \$0.01 per share, of Net2Phone (the "Net2Phone Class A Common Stock") (except for Shares beneficially owned by IDT or as to which appraisal rights shall be perfected under Delaware law) and all of the Shares were cancelled. (Continued in Footnote 2.)
 - (2) Each issued and outstanding share of common stock, par value \$0.01 per share of NTOP Acquisition (the "NTOP Acquisition Common Stock") was cancelled and converted into and became one fully paid and nonassessable share of Net2Phone Common Stock. Since IDT owned 100 shares of NTOP Acquisition Common Stock prior to the merger, pursuant to the merger it became the owner of 100 shares of

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Net2Phone Common Stock. In addition, at the conclusion of market trading hours on March 13, 2006, the shares of Net2Phone Common Stock ceased trading on the Nasdaq National Market and, effective March 14, 2006, the registration of the shares of Net2Phone Common Stock under the Securities Exchange Act of 1934, as amended, was terminated.

- (3) Represents 46,888,194 shares of Net2Phone Common Stock held by NTOP Acquisition, 1,250,000 shares of Net2Phone Common Stock held by IDT LMC-NTP Acquisition III, Inc. and 28,896,750 shares of Class A Common Stock held by NTOP Holdings, L.L.C. Each share of Class A Common Stock is convertible into one share of Common Stock at any time at the option of the holder without consideration. The Reporting Person disclaims beneficial ownership of these shares and the inclusion of these shares in this statement shall not be deemed an admission that the Reporting Person beneficially owned these shares for purposes of Section 16 of the Securities Exchange Act or for any other purpose. (Continued in Footnote 4.)

- (4) As noted in footnotes 1 & 2 above, pursuant to the merger all of the shares of Net2Phone Common Stock and Class A Common Stock were cancelled, the shares of Net2Phone Common Stock ceased trading on the Nasdaq National Market and, effective March 14, 2006, the registration of the shares of Net2Phone Common Stock under the Securities Exchange Act of 1934, as amended, was terminated.

- (5) The Reporting Person beneficially owns all of the outstanding shares of capital stock of IDT LMC-NTP Acquisition III, Inc., and all of the membership interests in NTOP Holdings, L.L.C. are held by direct and indirect subsidiaries of the Reporting Person.

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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