

1. Name of Registrant

ARNOLD & PORTER

2. Registration No.

1750

3. This amendment is filed to accomplish the following indicated purpose or purposes:

To correct a deficiency in

Initial Statement

Supplemental Statement for _____

To give a 10-day notice of a change in information as required by Section 2(b) of the Act.

Other purpose (specify) _____

To give notice of change in an exhibit previously filed.

4. If this amendment requires the filing of a document or documents, please list-

N.A.

5. Each item checked above must be explained below in full detail together with, where appropriate, specific reference to and identity of the item in the registration statement to which it pertains. If more space is needed, full size insert sheets may be used.

This amendment to Registrant's Registration Statement is to give notice of a change in information relating to the Exhibit B filed for a foreign principal of the Registrant, State of Israel.

The Registrant has entered into a written agreement with the foreign principal relating to the Registrant's services concerning the implementation of Federal legislation which permits the refinancing of foreign military sales debt to the United States. A copy is attached.

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CRIMINAL DIVISION

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The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this amendment and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief.

Wm. Rogers

William D. Rogers

(Both copies of this amendment shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, DC
this 12th day of July, 19 88 Letitia M. Dixon
(Notary or other officer)

My commission expires May 14, 1989

ARNOLD & PORTER

1200 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20036

(202) 872-6700

CABLE: "ARPOPO"

TELECOPIER: (202) 672-6780

TELEX: 88-2733

700 LINCOLN STREET
DENVER, COLORADO 80203
(303) 863-1000

800 THIRD AVENUE
NEW YORK, NEW YORK 10022
(212) 863-8772

PAUL S. BERGER
DIRECT LINE: (202) 672-6784

March 9, 1988

Eliezar Yonas
State of Israel
350 Fifth Avenue
19th Floor
New York, New York 10118

Dear Eli:

This will confirm the basis upon which the Ministry of Finance of the State of Israel has retained our firm in connection with the implementation of the refinancing of Foreign Military Sales debt presently outstanding to the Federal Financing Bank.

Our services began on December 28, 1987 with representation of the State of Israel in connection with the development of Treasury Regulations mandated by Public Law 100-102 which authorizes the refinancing of FMS debt. Our undertakings will include evaluations, from our perspective and experience, of the various proposals made to you by U.S. financial institutions and other possible options with a view toward the determination of the regulatory authority and process that will be necessary to carry out any FMS refinancing by the State of Israel. We are considering the refinancing options from various legal perspectives including, but not limited to, the Arms Export Control Act, U.S. corporate and contract law, U.S. securities laws, U.S. banking laws, and U.S. tax laws. We will prepare comments for submission to the Treasury Department for consideration in the course of its rulemaking process (interim and final) and, act on your behalf before the Treasury and other U.S. government agencies as may be necessary or appropriate in this matter. We will continue to work with you in connection with relationships with financial institutions and advisors.

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Eliesar Yones
March 9, 1988
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It has been agreed that, with respect to this matter, the State of Israel will pay Arnold & Porter a fee for its services in accordance with our usual and customary charges based upon the amount of time charges for professional, paraprofessional, and other direct hours devoted to these services. At your request, we have attached hereto a schedule of the hourly billing rates for the attorneys who are currently devoting substantial time to this matter. Statements for our services will be sent to you on a monthly basis.

It is also understood that, in addition to amounts to be paid to us for our services, the State of Israel will reimburse Arnold & Porter for out-of-pocket expenses incurred on behalf of the State of Israel (including such items as travel expenditures, taxi fares, long distance telephone calls, duplicating charges, and the like). Statements for these disbursements will be sent to you on a monthly basis as well.

We understand the arrangements discussed herein cover our representation which began on December 28, 1987 and through the period of the regulatory process. We are hopeful that we will represent the State of Israel with respect to any refinancing by Israel under this legislation, but we understand that you will make a decision on further representation at a later time.

If the foregoing meets with your understanding, kindly sign the enclosed copy of this letter and return it to us for our files.

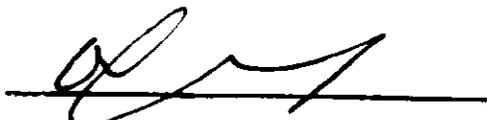
Should you have any questions, please do not hesitate to call.

Sincerely yours,

ARNOLD & PORTER

By: 

STATE OF ISRAEL

By: 

ARNOLD & PORTER

Attorney

Hourly Billing Rate

Paul S. Berger	\$275
Mark H. Stumpf	\$220
Steven G. Tepper	\$220
Nancy S. Abramowitz	\$200
Catharine C. McCoy	\$200
Michael B. Mierzewski	\$185
Peter J. Cinquegrani	\$140
Laura L. Sessums	\$130
Draw A. Harker	\$115