

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant
ARNOLD & PORTER

Name of Foreign Principal
State of Israel

Check Appropriate Boxes:

1. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
2. There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
3. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

(See response to Question No. 4, below)

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4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The Registrant has rendered and will render advice and representation to the foreign principal on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal, including taxation, treaties, financial matters, international trade, privatization issues, financing of research and development projects and pending legislation. The Registrant also has rendered and will render advice to the Israel Securities Authority with respect to the U.S. securities laws. The fee for such representation is to be determined periodically, based on hourly charges and other criteria for legal fees, plus out-of-pocket expenses and as set forth in the attached letter. The duration of the agreement is indefinite.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The Registrant has rendered and will render advice and representation to the foreign principal on U.S. laws, regulations and policies that may affect or relate to the activities of the foreign principal, including taxation, treaties, financial matters, international trade, privatization issues, financing of research and development projects and pending legislation. The Registrant also has rendered and will render advice to the Israel Securities Authority with respect to U.S. securities laws.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?

Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

The Registrant may engage in political activities on behalf of the foreign principal. The Registrant's activities may on occasion include communications on behalf of the foreign principal with Executive Branch officials, officials of government agencies, and with members of the U.S. Senate and House of Representatives and their staffs relating to legislation and actions of the Executive Branch and government agencies that may affect or relate to the foreign principal.

Date of Exhibit B	Name and Title	Signature
June 22, 1992	Lawrence A. Schneider, Partner	<i>Lawrence A. Schneider</i>

'Political' activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

ARNOLD & PORTER

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PAUL S. BERGER
COUNSELOR AT LAW

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TELECOPIER (202) 672-6710
TELEX 892133

August 22, 1989

Mr. Eli Yones
Accountant General
Ministry of Finance
1 Kaplan Street
Jerusalem, ISRAEL

Dear Eli:

Pursuant to our recent discussion, we set forth below a proposed retainer arrangement covering certain Arnold & Porter's legal services for the Ministry of Finance including the offices of the Economic Office of the Embassy of Israel and the Chief Fiscal Office in New York for the period beginning July 1, 1989.

Arnold & Porter would provide legal services to these offices in economic and financial areas for an annual retainer of \$5,000 payable monthly, exclusive of any out-of-pocket expenses incurred on behalf of Israel.

The retainer would cover consultation, but would not cover representation in connection with specific matters. In such instances, we have proposed to charge for time spent on the matter in accordance with our customary practice, less an Israel Governmental discount of 10%. Of course, we would notify the Chief Fiscal Officer promptly of any such matter which we believe fell outside the retainer arrangement in order to arrive at an understanding before proceeding.

Statements for the retainer would be sent to the Chief Fiscal Officer monthly, as would statements for the work done outside of the retainer and for all out-of-pocket disbursements in either connection.

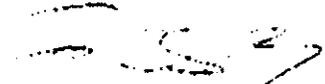
It is understood that we would review the arrangement after two years to determine whether it is operating fairly for all parties.

ARNOLD & PORTER

Mr. Eli Yones
August 22, 1989
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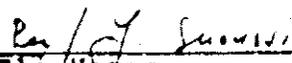
Please let me know if you have any questions. My
best regards.

Sincerely,



Paul S. Berger

ACCEPTED


Eli Yones
Accountant General

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