OMB No. 4[illegible]
Approval Expires Oct. 31, 1981

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

Form OBD-68
(Rev 10-14-76)
Formerly DJ-307
for

AMENDMENT TO REGISTRATION STATEMENT

Pursuant to the Foreign Agents Registration Act of 1938, as amended.

RECEIVED
U.S. DEPARTMENT OF JUSTICE
CRIMINAL DIVISION
OCT 29 8 12 AM '81
INTERNAL SECURITY SECTION
REGISTRATION UNIT

1. Name of Registrant	2. Registration No.
Patton, Boggs & Blow	2165

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 notice of change in an exhibit previously filed.
- ☐ To give a 10-day notice of a change in information as required by Section 2(b) of the Act.
- ☐ Other purpose (specify) To supplement Exhibit B dated March 22, 1977, relative to the addition of The Metal Market and Exchange Co., Ltd. as a foreign principal.

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

Letters between Patton, Boggs & Blow and The Metal Market and Exchange Co., Ltd., dated 11/26/76; 12/2/76; 12/3/76; 12/13/76; 12/17/76; 1/28/77; 2/10/77; 2/27/77; 3/11/77 and 3/11/77.

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.

Relative to Exhibit B, item 2, we are filing additional correspondence leading to the retention of our firm by The Metal Market and Exchange Co., Ltd.

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.

(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.)

R. H. Koehler
Robert H. Koehler
Acting Managing Partner

Subscribed and sworn to before me at Washington, D.C.

this 22 day of October, 19 81

_____
(Notary or other officer)

My commission expires March 14, 1983

DOJ

WCF

PATTON, BOGGS & BLOW
1200 SEVENTEENTH STREET, N. W.
WASHINGTON, D. C. 20036
(202) 223-4040

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CABLE: BARPAT
ITT TELEX: 440324
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TELECOPIER: 223-0233

*NOT ADMITTED IN D. C.

November 26, 1976

Mr. Jacques K. Lion
London Metal Exchange
Whittington Avenue
London, E. C. 3

Dear Mr. Lion:

Bill Foster has asked that I write to you concerning your recent discussions with him about your interest in regulation by the Commodity Futures Trading Commission of trading in commodity options. I am the person in the firm who has been principally responsible for matters concerning the Commission.

Our firm has represented persons with an interest in commodity markets both prior and subsequent to the creation of the Commodity Futures Trading Commission. We have represented both futures merchants and traders. Since the creation of the Commission, the firm has been primarily concerned with the effect of the new statutory and regulatory provisions upon traders, particularly those with large positions in the market. Our specific efforts on behalf of various clients have included assistance in maintaining the registration of particular futures merchants and advice and assistance with respect to the requirements imposed upon large traders.

Overall, it has been and continues to be the concern of both the "industry" and traders that the Commission would, through ignorance or an excess of zeal, take actions which would cause havoc within the commodity markets. Although, the actions of the Commission, to date, have somewhat alleviated those concerns, the industry and to some extent traders continue to be concerned about the time and resources which must be devoted to complying with regulatory requirements. Further, there has not yet been sufficient time to determine the full effect of the Commission on trading activities and there continues to be apprehension that actions will be taken which will cause substantial economic harm.

As I am certain you are aware, the Commission is particularly concerned with options trading. It is an area of commodities trading which has been subject to numerous fraudulent schemes of one kind or another. The Commission's general attitude about dealing in options is well reflected by the fact that they have adopted regulations for options dealers which are substantially more stringent than the regulations which have been adopted for dealers in futures contracts. Additionally, I believe it fair to state that there are some who are not yet convinced that trading in commodity options serves a genuine public purpose.

Because of the above, I believe that all persons involved in commodity options must remain particularly alert to insuring that options trading activities are handled in a manner which will minimize adverse reaction by either the Commission or the general public. Further, I think it incumbent upon legitimate dealers in options to attempt to educate the Commission as to the economic purposes to be served by the options market and to convince the Commission that this purpose can be served only if the Commission exercises restraint in its regulatory activities. Thus, although there will, of course, be frequent occasion for a particular options merchant to resolve specific problems, I think it is at least equally important that there be regular communication with the Commission to insure that when the Commission does act, it does so with as complete an understanding as is possible of the various consequences of any regulatory scheme adopted or any actions taken by the Commission pursuant to such regulatory scheme.

As you know, the regulations that have now been adopted are "interim" regulations. The Commission intends to propose "second-stage" regulations which, in the words of the Commission, will provide for a "limited, rigidly controlled three-year (or shorter) test program that ultimately will require commodity options to be purchased and sold on or through the facilities of Commission-designated boards of trade in the United States or Commission-recognized foreign commodities exchange systems which satisfy stringent self-regulation requirements." Thus, neither the current regulations nor the "second-stage" regulations represent the long-term regulatory scheme which will be adopted by the Commission for options. Further, and importantly, the Commission has made no final determination that commodity options trading should be permitted to continue. If, during the second-

stage period, the Commission were to become convinced that commodity options trading serves no genuine public purpose and/or has served to undermine the underlying commodity markets, all commodity options trading could be banned. In short, it is not possible to over-emphasize the importance of the coming period for those persons engaged in the selling of options.

The initial regulations will become effective on December 9, 1976 except for the requirements with respect to segregating funds which become effective on December 27, 1976. Additionally, commodity option dealers must be registered with the Commission by January 17, 1977. The "second-stage" regulations which will establish the test program will be proposed in about a month with the anticipation that they will become effective approximately sixty days thereafter. I assume that you will want to submit such comments as may prove to be appropriate with respect to the second-stage of the regulatory program.

I presume that you find the requirement that customers' funds be segregated to be one of the most onerous of the various regulations. In addition to providing for the possibility of obtaining an individual exemption from this requirement by the submission of a request proposing other means of protecting customers, the Commission has also invited comments about the possibility of establishing an insurance program as an alternative to segregation. I assume that you are considering possible responses to both the near- and long-term avenues of relief from the segregation requirement.

Because of the concern of a number of the clients of the firm with commodities trading, I prepared a memorandum in June of 1975, outlining the major provisions of the new Commodity Futures Trading Commission Act of 1974. The memorandum was not intended to be a comprehensive review of all statutory and regulatory provisions, but merely to highlight the most important provisions of the 1974 Act. Although the Commission has now adopted regulations implementing the new statutory provisions, I am enclosing a copy of the memorandum because it provides a brief synopsis of the most significant statutory provisions added by the new Act, which you may find to be useful. Since you may not have had an opportunity to receive it prior to your departure for London, I am also enclosing a copy of the final "interim" commodity option

regulations of the Commission as such regulations appeared in the Federal Register of November 24, 1976.

If we can be of further assistance with respect to this matter or if you have any questions, either Bill Foster or I would be pleased to hear from you further.

Sincerely yours,

David C. Todd

Enclosures

P. S. Please note that we have a telex, ITT number 440324, should you find it necessary to communicate with us rapidly.

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*NOT ADMITTED IN D.C.

December 2, 1976

Mr. Jacques K. Lion
London Metal Exchange
Whittington Avenue
London, E. C. 3

Dear Jacques:

The day after you returned to London I had to fly unexpectedly to Alaska. I therefore asked David Todd, our partner who has followed the Commodity Futures Trading Commission most closely, to write you and describe the firm's prior involvement in proceedings before the Commission. I note that Dave did this by letter of November 26, 1976.

I would like to express again the firm's interest in representing your interest in Washington, D. C. I feel that this can be accomplished in a very effective manner based upon our successful experience with the Commission to date and our relationship with individual members and staff of the Commission with whom we have been able to work closely. I do not minimize the unique situation of the London Metal Exchange, but rather see its special situation and needs as being an interesting challenge.

Best regards,

William C. Foster

LME

Philipp Lion

METALS & MINERALS

CABLES: CUFENIAG, LONDON, E.C.2.
TELEPHONE: 01-628 3060, 01-638 0066
TELEX: 886556 & 886556
REGISTERED IN LONDON No. 112111

RUDOLPH P. LION.
JACQUES K. LION.
ROBERT A. ALMOND.
RODNEY W. GOLLANCE.
NIGEL G. LION.
A. W. TAYLOR.

(REGISTERED OFFICE,
Moor House,
London Wall,
London, EC2Y 5AR

3rd December 1976.

YOUR REFERENCE.....

OUR REFERENCE JKL/SMT/Pa *which please quote*

Mr. David C. Todd,
Patton, Boggs and Blow,
1200 Seventeenth Street, N.W.
Washington D.C. 20036,
U.S.A.

Dear Mr. Todd,

Thank you for your letter of the 26th November and for the detailed information you give us regarding your Partnership.

I have passed a copy to the Chairman and other Board Members and we shall be giving our consideration to this in the very near future when I will be in communication with you again.

Yours sincerely,

Jacques K. Lion

Jacques K. Lion.

Telephone: 01-626 1011 (4 lines)

Telegrams: "METMA, LONDON, EC3"

The Metal Market & Exchange Co. Ltd

(The London Metal Exchange)

Registered Office: 1, Metal Exchange Buildings,
Whittington Avenue,
London, EC3V 1LB

Secretary:
R. K. MILLETT

Mr. David C. Todd,
Patton, Boggs & Blow,
1200 Seventeenth Street, N.W.
WASHINGTON, D.C. 20036,
U. S. A.

13th December, 1976.

Dear Mr. Todd,

My colleagues on the Board of the London Metal Exchange have now had an opportunity of studying your very helpful letter of the 26th November and we have reached the conclusion that it would be advantageous for the London Metal Exchange to be represented in Washington by someone like yourself.

Before officially asking you to accept a watching brief, I would be grateful if you could indicate to me the terms on which you would operate, i.e. retainer or payment for time spent and some indication of the amounts involved.

We have asked Mr. Bagley to come over to London early in January to acquaint himself at first hand with the operations of the London Metal Exchange and I am wondering whether if perhaps it would be a good idea for you to come over at the same time, if as I hope we finally appoint you to watch over our interests.

May I ask you to convey to Mr. Foster our thanks for the courtesy and time he spent with Mr. Lion during the latter's recent visit to Washington.

Yours sincerely,

P.G. Smith,
Chairman.

COMPANY REGISTRATION NO. 15744: LONDON

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*NOT ADMITTED IN D.C.

December 17, 1976

Mr. P. G. Smith
Chairman
The Metal Market & Exchange Co., Ltd.
1 Metal Exchange Buildings,
Whittington Avenue
London, EC3V 1LB

Dear Mr. Smith:

Thank you for your letter of December 13th. Our firm would be pleased to represent the interests of the Exchange.

Although the firm does, on occasion, undertake to represent clients on the basis of a set retainer, we have found it more appropriate, particularly at the beginning of a client relationship, for fees to be determined on the basis of the actual hours expended.

I am certain that you recognize that it is, at this stage, difficult to predict with any accuracy the amount of time which would be required to represent the interests of the Exchange. I will, nevertheless, attempt to give you the best estimate possible. As was discussed with Mr. Lion, billing rates for lawyers in the firm range from $40 to $125 per hour. Based upon the expectation that at least during this initial phase the bulk of the time to be devoted to your interests would be spent by myself and an associate of the firm, I would anticipate that the total fees for the first three-month period would approximate $15,000 - $20,000, plus expenses.

Even though it is not now possible to determine the level of effort which will be required over a long term, I do assume that during this first period it will be necessary to expend considerable time becomming thoroughly conversant with all aspects of your operations and in determining an overall strategy to be followed in our representation. I suggest, therefore, that we proceed on the above basis for the first three-month period. We will then be in a better position to determine the level of effort needed and thus the proper amount of a longer-term budget.

I agree with you that it would be advisable for me to come to London in order to conclude this matter, and to begin to acquire a detailed knowledge of your operations. I also agree that it would be appropriate to have my visit coincide with that of Mr. Bagley. In view of the timing, I will plan to meet with Chairman Bagley and Vice Chairman Rainbolt in the near future in the hope that this will permit us to arrange a mutually convenient time for the trip.

If you have any questions with respect to this matter, please let me know. I shall look forward to meeting with you in the near future.

Sincerely yours,

David C. Todd

DCT/lps

Telephone: 01-626 1011 (4 lines)

Telegrams: "METMA, LONDON, EC3"

The Metal Market & Exchange Co. Ltd.

(The London Metal Exchange)

Registered Office: 1, Metal Exchange Buildings,
Whittington Avenue,
London, EC3V 1LB

Secretary:
R. K. MILLETT

28th January, 1977.

D.C. Todd Esq.,
Patton, Boggs & Blow,
1200 Seventeenth Street, N.W.
Washington, D.C. 20036
U.S.A.

Dear Mr. Todd,

I refer to our recent meetings in London, and trust that you have acquired enough knowledge of our organisation to enable you to represent the interests of this Exchange along the lines discussed.

My Board have agreed to engage your services, and request that you submit a monthly statement of your fees etc. You will understand that the Board is accountable to the membership of the Exchange for all expenditure and details of the work done by you will be required.

Your total estimated fees for the first three month period are noted but based on your billing rates of $40 to $125 per hour it is anticipated that the time you will have to spend in representing the interests of the Exchange will, no doubt, be less than at first thought which will result in a lower total fee than the one you have indicated.

As we see it your brief is to study all documents issued by the CFTC and to inform us of any proposals which in your opinion could either immediately or in the future give rise to the possibility of interfering with the free operations by American Citizens with members of the London Metal Exchange.

With regard to your registering as our adviser, as you considered that this was just a formality it might be advisable for you to do so but I should be grateful if you would let me know exactly what this involves and any expenses which will be incurred.

Yours sincerely,

P.G. Smith C.B.E.
Chairman of Board.

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February 10, 1977

Mr. P. G. Smith
Chairman of the Board
The Metal Market & Exchange Co. Ltd.
1, Metal Exchange Buildings
Whittington Avenue
London, EC3V1LB

Dear Mr. Smith:

Thank you for your letter of January 28, 1977, formalizing our representation of the Exchange.

As we discussed in London, I believe that the interests of the Exchange can be grouped into three principal, but interrelated areas. First, the Exchange is concerned about any Commission proposal which might infringe upon the ability of American citizens to conduct business with members of the Exchange. Next, the Exchange wants to prevent the Commission from taking any action which possibly could be a basis for a claim that a contract between a member of the Exchange and a U.S. resident is not enforceable. Finally, the Exchange would like to be recognized by the Commission as a valid contract market.

While I am mindful of the varied interest of the members of the Exchange in trading options and that, indeed, a large number of the members have no direct interest in options, I believe that it is important for the Exchange to participate actively in the Commission process which ultimately will lead to the promulgation of regulations on the trading of options. As you recall, it was the Commission's proposal to regulate options which caused the Exchange to become actively concerned about the possibility of the Commission's taking actions detrimental to it. The Commission has continued to give options a great deal of attention, and many of the decisions which it is making on options trading will serve as precedent for Commission decisions in other areas.

In this regard, I have enclosed a memorandum summarizing a February 3, 1977, meeting of the Commission on the regulation of options. The Commissioners' discussion concentrated on the problem of attempting to apply the

Commission's rules for domestic exchanges to the London exchanges. The London Metal Exchange was mentioned specifically. The Commissioners are having particular difficulty with applying the segregation and clearinghouse rules to a London exchange and with requiring a London exchange to submit its rules to the Commission for approval. Accordingly, several Commissioners proposed that a London exchange be recognized upon its satisfaction of yet to be specified "equivalents" to the requirements on domestic exchanges. Chairman Bagley was attracted by a proposal by the London Commodity Exchange Company Limited in a letter to him dated January 19, 1977 (copy enclosed) that certain of its members form an association of commodity firms in the United States which would apply to the Commission for permission for its members to trade in London options for the accounts of its members' clients.

The Commission will publish a proposed rule to establish a pilot program for options. At the same time it will solicit comments on how to define the equivalents of the segregation rules, of the clearinghouse rule and of the required approval of exchange rules. It is important that we discuss these proposed rules with the Commission. Since our meeting in London, I have met with Vice Chairman John Rainbolt, and we will be meeting soon with the Commission's Executive Director, Anthony M. McDonald, Jr., to continue our discussions.

Although both Chairman Bagley and Vice Chairman Rainbolt repeatedly have disclaimed any interest in regulating the London Metal Exchange, stating that the Exchange is not subject to the jurisdiction of the United States, I think it well for us all to bear in mind that the trading of London contracts or options within the United States raises the possibility that the Commission will attempt to affect the operations of the Exchange by exercising its possible jurisdiction over activities in the United States. Accordingly, one of the first issues which we believe should be addressed is what activities in the United States by Exchange members could be made subject to the Commission's jurisdiction. The issue of law is what constitutes "doing business" within the United States, and we will be providing you with a memorandum on this subject. I hope that you will include in your comments on the memorandum further guidance on how members of the Exchange conduct business in options and contracts with residents of the United States.

I invite your particular attention to the comments of Chairman Bagley on the January 19 proposal of the London Commodity Exchange. While I am aware of the principal differences between the London Commodity Exchange and the London Metal Exchange, particularly the fact that the LME does

not have a clearing operation, I believe that it would be useful for us to work with the LCE on options and perhaps other matters. There may be certain subjects on which a joint position can be presented.

The London Commodity Exchange has retained counsel here in Washington on this matter. I suggest as an appropriate first step that you contact the LCE to determine whether that exchange is agreeable to working with us through its Washington counsel. If you concur in this suggestion, I would appreciate your advising me of the result of your discussions with the LCE at the earliest possible date.

As we discussed in London, it would be most helpful for us to be informed of the extent of contacts between U.S. companies and members of the Exchange, through either ownership or business dealings. At an appropriate time this information could prove to be very useful in our efforts before the Commission (and, perhaps, before the United States Congress). I am sensitive to your concern about confidentiality, and, of course, will use any information provided with the utmost discretion.

Finally, I believe that we should register under the U.S. Foreign Agents Registration Act. I will write to you early next week concerning that matter.

Sincerely yours,

David C. Todd

DCT:cmb

Encls. 1. Memorandum re CFTC meeting 2/3/77.
2. Letter from London Commodity Exchange to Chairman Bagley dated 1/19/77.

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February 23, 1977

Mr. P. G. Smith
Chairman
The Metal Market & Exchange Co., Ltd.
1 Metal Exchange Buildings
Whittington Avenue
London, England EC3V 1LB

Dear Mr. Smith:

The U.S. Foreign Agents Registration Act requires agents acting within the U.S. on behalf of a foreign entity to register with the U.S. Department of Justice under certain circumstances. This firm, as lawyers, could act on your behalf with respect to many matters without registering, including taking positions on your behalf before the CFTC pursuant to an "established agency proceeding", formal or informal, e.g., comments on a proposed regulation. Nevertheless, registration is required even for lawyers if the representation involves "political activities". The term "political activities" has been defined broadly and, in effect, would cover all of our dealings with the Commission and its staff other than in the course of an "established agency proceeding". Since I anticipate that much of our most important work at the Commission will be outside of established procedures, I propose to register in order to avoid any potential problems. The cost of registering and maintaining the registration will be minimal.

Copies of the completed forms to be filed with the Department of Justice are enclosed. You will note that Exhibit B requires that we attach copies of correspondence establishing the relationship between the LME and this firm. This has already been covered by previous correspondence. Since, however, our filing will be on public record, I suggest that you send a letter covering only the retainer relationship. I recommend that the letter should state only: "This is to confirm the retention of your firm by The Metal Market and Exchange Co., Ltd. for the purpose of representing our interests before the U.S. Commodity Futures Trading Commission.

We understand that we will be billed for services performed at your regular hourly rates, plus expenses." I would also appreciate your confirming the accuracy of items 8 and 10 of Exhibit A.

As you know, the Commission is now working on the second phase of the regulations to govern trading in options. In this phase certain exchanges will be a part of a "pilot program". This raises the possibility of our attempting to have the LME included as a part of that pilot program. As a practical matter, it would probably be difficult to achieve that. More importantly, I doubt that it would be to our advantage to become a part of a pilot program even if it were possible to do so. I believe that more time is needed to work out a program under which the LME can be recognized by the CFTC even though it carries out its activities somewhat differently than exchanges within the U.S.

In my letter of February 10, I failed to address your comments on our fees. You are correct that our fees for the first quarter of this year will not be as high as we had estimated originally. Although our normal practice is to bill quarterly, I will send you a statement covering the months of January and February shortly. We would prefer to bill you quarterly, but will, of course, comply with your desires if you believe that monthly billing would be more appropriate.

Although I know you were present, I am enclosing the text of the remarks made by John Rainbolt at the American Metal Market Forum on February 1, 1977, in the event that you did not receive a copy of the complete text.

Sincerely yours,

David C. Todd

DCT/lps
Encl.

Telephone: 01-626 1011 (4 lines)

Telegrams: "METMA, LONDON, EC3"

The Metal Market & Exchange Co. Ltd

(The London Metal Exchange)

Registered Office: 1, Metal Exchange Buildings,
Whittington Avenue,
London, EC3V 1LB

Secretary:
R. K. MILLETT

PGS/DW.

Mr. D. C. Todd,
c/o. Patton, Boggs & Blow,
1200 Seventeenth Street, N.W.
Washington, D.C. 20036.
U.S.A.

11th March, 1977.

Dear Mr. Todd,

I have to thank you for your letters of the 10th, 23rd and 25th February. Your letter of the 23rd has now been circulated to members of my Board and we shall be replying after our monthly meeting due to be held on the 22nd March.

With regard to your letter of the 23rd February, I return herewith the documents covering your registration with the United States Department of Justice, and would point out that the Metal Market & Exchange Co.Ltd. is controlled by "a Board of maximum nine Directors" all of whom must be subscribers and one-third of whom retire each year. I also enclose the required letter with regard to registration.

Your letter of the 25th and enclosure is noted, and we await further details if any of interest arise.

Yours sincerely,

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PGS/DW.

11th March, 1977.

Patton, Boggs & Blow,
1200 Seventeenth Street, N.W.
Washington, D.C. 20036,
U.S.A.

Dear Sirs,

This is to confirm the retention of your firm by the Metal Market & Exchange Co. Ltd. for the purpose of representing our interests before the U.S. Commodity Futures Trading Commission. We understand that we will be billed for services performed at your regular hourly rates, plus expenses.

Yours truly,
for and on behalf of The Metal Exchange Co.Ltd.

P. G. Smith.
Chairman.

COMPANY REGISTRATION NO. 15744: LONDON