

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

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DEPARTMENT OF JUSTICE

JAN 8 1 08 PM '80

EXHIBIT B

TO REGISTRATION STATEMENT  
Under the Foreign Agents Registration Act  
of 1938, as amended

REGISTRATION UNIT  
INTERNAL SECURITY  
SECTION  
CRIMINAL DIVISION

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 duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
GRAYDON ASSOCIATES, INC.	WARRINGTON NEW TOWN DEVELOPMENT CORP.

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- 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 two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and 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.

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

Our contract with Warrington New Town Development Corp. is for the purpose of aiding the town of Warrington to attract new American companies to establish marketing, research or manufacturing facilities there. The methods we use include advertising, direct mail with brochures to a selected list of American companies, and sales trips with Warrington personnel to visit prospects.


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

The only means we have to aid Warrington New Town is through direct mailing of brochures to selected lists of American companies. Based on recipient interest make telephone calls to recipients to determine interest in building factories in Warrington, and then arrange selling trips around US with personnel from Warrington to visit these companies.

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

NOT APPLICABLE

Date of Exhibit B	Name and Title	Signature
March 23, 1977	Robert J. Graydon President	

<sup>1/</sup> 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.

March 23, 1977

Mr. D. J. Binns  
General Manager  
P. O. Box 49  
New Town House  
Buttermarket St.  
Warrington WA1 2LF, England

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Dear David:

As we have done in the past, I'm proposing a simple letter contract to define the role that Graydon Associates, Inc. will play in the United States on behalf of the Warrington New Town Development Corporation.

It should be noted that GAI is not being employed by WNTDC primarily as "consultants". The classic role of a consultant organization is to proffer advice based on analysis of the client's situation with respect to his marketplace. Our role goes beyond that, and well into the actual implementation of such advice. In this capacity the term "U. S. Sales Organization" or "American Agent" better defines the role of GAI, than consultant. We will be actively engaged in initiating and following up sales contacts on behalf of WNTDC.

We are agreeing, then, on the following:

1. The sales goals which form Appendix A of this letter contract, define specific objectives to be achieved by Graydon Associates by March 25, 1978.
2. Appendix B defines a marketing and sales program as agreed upon in discussions with Brian Standivan and Alan John during the week of March 14, 1977.
3. Appendix C defines the likely ranges of cost elements in the budget.
4. The period of this letter contract shall be from March 25, 1977 through March 25, 1978.
5. The fee for the time only of Graydon Associates personnel shall be \$5,500 per month, with expenses such as, but not limited to, telephone and telex, mailings, production costs for brochures and ads, ad space, travel, and expenses associated with travel, to be billed to Warrington.

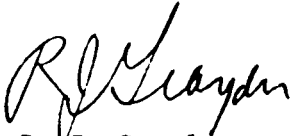
Before committing Warrington to any major costs other than normal communications, GAI will be given prior approval by Warrington. Invoices will be submitted monthly to Warrington, and payment tendered by Warrington within ten days of receipt.

4. There shall be quarterly reviews by WNTDC and GAI to evaluate sales progress in the U. S. and to continually refine our marketing program as necessary to achieve our sales goals. Such reviews may be part of the normal quarterly visitations by WNT marketing personnel to the United States.
5. GAI shall be acting in the capacity of a professional U. S. marketing organization for Warrington. GAI shall not be considered a formal agent of Warrington, nor has any authority to make commitments on behalf of Warrington other than arranging U. S. itineraries for Warrington personnel, and in distributing information with respect to facilities and incentives available at Warrington.
6. Control statements on progress with most immediate sales prospects will be submitted monthly unless specific cases occur requiring immediate attention by Warrington. In such cases, Warrington will be notified by telex. .

This sums it up as briefly as I can, David. I have not alluded to a continuation of our efforts past March 1978, but assuming that the next twelve months augur well for us, then somewhere prior to March 1978, we will have to come to grips with a more specific definition of tasks from March 1978 to March 1979. Those functions will be evident from the progress we make in this next 12 month contract period.

With best regards,

GRAYDON ASSOCIATES, INC.



R. J. Graydon  
President

RJG/11

Enclosures: Appendices A, B and C

Concurrence by Warrington New Town Development Corporation:



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Date: 4 April 1977.

Appendix A

Sales Goals of U. S. Marketing Program

WNT and GAI agree that about one third of WNT's total objectives should be achieved from leads generated by GAI's activities.

For the period 1 April 1977 to 31 March 1978 goals are set forth below in order of priority.

1. Advance factories and warehouse units

By 31 March 1978, contracts will be signed for approximately 80,000 square feet. We expect that the total number of contracts will be about ten.

2. Advance Offices

By 31 December 1977, WNT and GAI will have talked to enough companies compatible with WNT's objective of filling Fleming House by June 1978 based on a completion date of July 1978. We expect one or two leads will have been generated in the U.S.

3. Ground Leases

GAI activities to account for two contracts signed by 31 March 1978 out of a WNT total of six.

4. GAI to provide selling assistance as requested by WNT in any sales situations requiring U.S. contacts. It is expected that there may be 4 - 7 such situations in the contract period.

IV. Advertising (continued)

The proposed programme is:

2 x 1/3 page B&W ads in the May edition of Fortune full run (directory of top 500 U.S. companies).

1 page ads facing editorial in the U.S. manufacturing editions of Fortune in June and July.

This above program is dependent on confirmation from Fortune.

BACC Yearbook.

Site Selector Handbook (IDRC)

*Area Development*

*Sept (?)*

*(11/77)*

Possible insertions in physical distribution trade press later in the year.

V. Sales Visits

There will be four approximately month long sales visits to the U.S. during the year. The first will be made by Peter Crompton beginning 17 April 1977. These are a critical and essential part of the program, linking the unearthing of leads and qualification of the scale and timing of investment to the detailed negotiations which must be conducted by WNT personnel.

VI. PR Activities

Undefined as yet, but possibly involving receptions for specific influence leaders such as bankers or members of professional groups associated with physical distribution and continuation of activities with IDRC.

VII. Print

Not yet specifically defined, but related to speculative warehousing in Warrington being completed during the year. Also possible development of literature to cover parts and service - a subset of the distribution market.

## Appendix C

### Budget

Estimates are given for minimum and maximum levels per year in thousand dollar units.

<u>AI Operations</u>	<u>Cost Range</u>
1. Telex	2.5 - 3.5
2. Telephone	4.0 - 5.0
3. Regular Postage (not including special mass mailings)	1.0 - 1.5
4. Daily Travel This item is for trips whose average duration is one day such as to NYC, Boston, Washington, Philadelphia, etc.	2.5 - 3.5
5. Scheduled Trips of Longer Duration These are cross country trips and will average about fifteen days each. We anticipate four such trips per year.	6.0 - 8.0
6. Non-Scheduled Trips These will be non-foreseeable trips to respond to a sudden marketing opportunity or problem.	1.0 - 2.0
7. Trip to Warrington by GAI in June 1977	2.0 - 2.4
8. Public Relations Events	2.5 - 3.5
Total	21.5 - 29.4

### Promotional Operations

#### 9. Direct Mailings:

The range of the budget figures includes computer services in the preparation of the mailings and retrieval of the databases, handling, postage, etc. Also included are: letters, mailing pieces, survey forms, reply envelopes, postage and data processing (list purchases, data entry, data updates, reports on status of sales and labels).

Cost of Total Mailings

18.0 - 22.0

Budget

Page 2

	<u>Cost Range</u>
10. Space Advertising	25.0 - 35.0
11. Print	3.0 - 5.0
12. GAI Professional Fee calculated at constant rate of \$5,500 per month.	66.0
Total	<hr/> 133.5 - 157.4

In summary, the total one year budget will range from a minimum of about \$133,000 to a maximum of \$157,000. Strictly speaking, it is not meaningful to simply add up the minimum and maximum columns for final figures. If a lower budget than the maximum is to be implemented, then there must be trade offs between the levels of various activities based on value judgments.



MONTHLY CONTROL STATEMENT

This is to be in summary form, amounting to no more than a paragraph per item.

1. Direct mailing  
To whom, how many & what sent.
2. PR activities.
3. Advertising activities.
4. Summary of computer activities.
5. Sales follow-up and qualification activities in summary.

QUARTERLY REVIEW

Quarterly reviews will consist of detailed reviews of all 'A' & 'B' category prospects (the computer status reports will be produced quarterly) and an evaluation of the promotional program.