

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

EXHIBIT B

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

RECEIVED
DEPARTMENT OF JUSTICE
JAN 8 1 09 PM '80
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:

1. 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.
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 two 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 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.

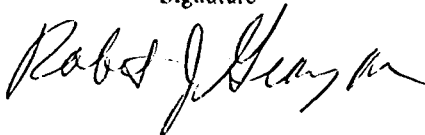
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

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?^{1/} 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 13, 1978	Robert J. Graydon President	

^{1/} 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 13, 1978

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 31, 1979.
2. Appendix B defines a marketing and sales program as agreed upon in discussions with Brian Standivan, Alan John, and Peter Crompton.
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, 1978 through March 25, 1979.
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.

Mr. David Binns
March 13, 1978
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Before committing Warrington to any major costs other than normal moderate expenses, GAI will be given prior approval by Warrington. Invoices will be submitted monthly to Warrington, and cable payment tendered by Warrington within ten days of receipt. Cable transfer charges will be for the account of GAI.

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.
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 will be submitted monthly and quarterly.

This sums it up as briefly as I can, David. I have not alluded to a continuation of our efforts past March 1979, but assuming that the next twelve months augur well for us, then somewhere prior to March 1979, we will have to come to grips with a more specific definition of tasks from March 1979 to March 1980. 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 & C

Concurrence by Warrington New Town Development Corporation



Date: March 17 1978.

Appendix A

Performance Goals of U.S. Marketing Program

Appendix B

Marketing and Sales Program Related to the Achievement of Sales Goals 1977-8 and the Generation of Leads for Conversion in 1978-9 and in Subsequent Years.

1. Mailing Program

First set of mailings will be Second Annual Survey to following:

Note that there are two divisions in each universe listed below. One division is comprised of those companies who have already responded in one way or another to the First Survey and the other are those companies who have not responded at all.

1. Fortune 1000
2. Distribution companies under \$60Mb/year
3. Distribution Managers
4. Consumer and Industrial Distribution Companies (in depth).
5. Parts & Service Companies (Division Managers) *
6. Technology 300 overlap
7. Technology 1300
8. Small Technology
9. Technology Division Managers *
10. International VPs
11. Canadian Companies (only largest)
12. Corporate Real Estate Officers

The selection, order and scheduling of these mailings is to be determined.

- II. Qualification of leads generated by mailing program (or from any other source) firstly by telephone call and subsequently, if appropriate, by personal visits.
- III. Preparation of monthly and quarterly control statements for regular evaluation of performance against objectives and targets.

IV. Advertising

Not seen as a primary method of generating leads but as a way of reinforcing Warrington to the audience which is being mailed. Some reprints of ads appear in the mailing packs.

The proposed program is:

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

BACC Yearbook.

Site Selector Handbook (IDRC)

Area Development

American Industrial Property Review

The Economist

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

V. Sales Visits

There will be four approximately 3 week long sales visits to the U.S. during the year. The first will be made by Peter Crompton beginning 30 April 1978. 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. Quarterly Review Trips

Two trips to WNT per year by GAI (RJG/DMB) and two to Red Bank by WNT personnel. The purpose of these trips is only to have a comprehensive review of sales progress against targets. In the U.S., for example, the WNT personnel are anticipated to stay for only several days during the review and no sales calls will be made. Obviously, if a call of overriding importance must be made, it will, but that is not the purpose of these particular meetings.

Appendix C

Budget

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

<u>GAI Operations</u>	<u>Cost Range</u>
1. Telex	2.5 - 3.0
2. Telephone	5.0 - 7.0
3. Regular Postage (not including special mass mailings)	1.0
4. Daily Travel This item is for trips whose average duration is one day such as to NYC, Boston, Washington, Philadelphia, etc.	1.5 - 2.5
5. Selling Trips of Longer Duration in U.S. These are cross country trips and will average about 15-20 days each. We anticipate four such trips per year. These expenses are those projected primarily for expenses of RJG that are not covered by the usual practice of WNT personnel in U.S. paying for air fare, hotels, and most of meal expenses of RJG whilst on these selling trips.	1.0 - 1.5
6. Non-Scheduled Trips - Reserve These will be non-foreseeable trips to respond to a sudden marketing opportunity or problem.	1.0 - 2.0
7. Quarterly Review Trips. Two trips per year to WNT by GAI (RJG/DMB).	3.5
8. Public Relations Events -National Council on Physical Distribution -Banking Community -Industrial Development Research Council -British American Chamber of Commerce -British Trade Development Office	2.0 - 3.0

Promotional Operations

9. Direct Mail Marketing Program:

The range of the budget figures includes computer services in the preparation of the mailings and retrieval of the data bases, 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 25.0 - 30.0

10. Space Advertising 18.0 - 24.0

12. GAI Professional Fee calculated at constant rate of \$5,500 per month. 66.0

Total 126.5 - 143.5

In summary, the total one year budget will range from a minimum of about \$126,500 to a maximum of \$143,500. 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 on value judgments.

MONTHLY CONTROL STATEMENT

This is to be in summary form, amounting to no more than a listing or a few sentences per item.

1. Direct mailing activities.
2. PR activities.
3. Advertising activities.
4. Computer activities.
5. Updating of marketing and sales control documents.

QUARTERLY REVIEW

Quarterly reviews to be defined.