

Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant Gray and Company Public Communications International, Inc. The Power House, Washington, D.C. 20007	2. Registration No. 3301
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3. Name of foreign principal The Embassy of Saudi Arabia	4. Principal address of foreign principal 601 New Hampshire Avenue, N.W. Washington, D.C. 20037
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5. Indicate whether your foreign principal is one of the following type:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee
<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group
<input type="checkbox"/> Association	<input type="checkbox"/> Other (specify) _____

Individual—State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant. Royal Embassy of Saudi Arabia

b) Name and title of official with whom registrant deals. Prince Bandar Bin Sultan Bin Abdul Aziz

7. If the foreign principal is a foreign political party, state:

a) Principal address Not Applicable

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Not Applicable

Terminated
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b) Is this foreign principal


- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes No
- Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

Not Applicable

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Not Applicable

Date of Exhibit A February 1, 1985	Name and Title Charles S. Crawford, III Executive Vice President	Signature 
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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
Gray and Company Public Communications International, Inc.	Embassy of Saudi Arabia

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.

Registrant agrees to provide counselling and other services in the furtherance of American public understanding and appreciation of the alliance and friendship of the two nations.

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REGISTRATION DIVISION

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

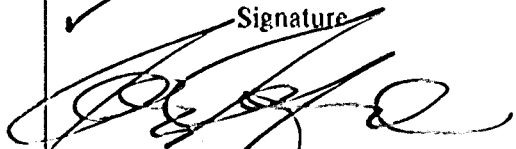
Please refer to Question #4 on the reverse side.

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.

Date of Exhibit B
February 1, 1985

Name and Title
Charles S. Crawford, III
Executive Vice President

✓
Signature


¹Political 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 Government 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 the Government of a foreign country or a foreign political party.



GRAY AND COMPANY

CHARLES S. CRAWFORD
President

January 23, 1985

His Royal Highness
Prince Bandar Bin Sultan Bin Abdul Aziz
The Ambassador of Saudi Arabia
601 New Hampshire Avenue
Washington, D.C. 20037

Your Royal Highness:

Gray and Company agrees to provide counselling and other services as requested and authorized by you or your designated representative. It is our understanding the general objective of our services shall be the furtherance of American public understanding and appreciation of the alliance and friendship of our two nations. Under that centralization you or your authorized representatives will direct the outreach of specific services from our firm.

The Royal Embassy understands this written agreement, subsequent oral agreements and all activities undertaken by Gray and Company are reportable to the U.S. Department of Justice under the Foreign Agents Registration Act and that Gray and Company will fully comply with the regulations and laws covering its activities for the Embassy.

To retain Gray and Company's availability for service, the Embassy will pay the Company a monthly retainer fee of \$10,000. In addition to that base fee, the Embassy will pay for the total of service charges accrued by Gray and Company employees each month, based upon the aggregate of hourly billings.

Further, the Embassy will reimburse Gray and Company for all out-of-pocket expenses incurred in performance of services for the Royal Embassy and agrees to pay a 10% mark up on those expenses for administrative handling by Gray and Company. No major out of pocket expenses will be incurred without the expressed approval of you or your designated representative.

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January 23, 1985

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At the beginning of each month, Gray and Company will invoice the Embassy in advance for the month's \$10,000 retainer, such invoice being due and payable upon presentation.

After the last day of each month, Gray and Company will tabulate the sum of hourly staff service charges and all costs for expenses and will submit an invoice for the total owed to the Embassy. That invoice will be payable upon presentation.

In order to make this contract binding, we have agreed to one year, to January 31, 1986. After that date, the agreement will extend indefinitely under the terms contained in this letter, unless Gray and Company is notified in writing 30 days in advance of your decision to discontinue the arrangement.

ACCEPTED:



By: _____

His Royal Highness
Prince Bandar Bin Sultan Bin Abdul Aziz
The Embassy of Saudi Arabia

GRAY AND COMPANY
PUBLIC COMMUNICATIONS
INTERNATIONAL, INC.



By: _____

Date: _____