

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 .49 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.

*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 The GCI Group Inc. 777 Third Avenue, New York, NY 10017		2. Registration No. 3856
3. Name of foreign principal Government of Israel (US)	4. Principal address of foreign principal 350 Fifth Avenue New York, NY 10118	

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:
  - Partnership
  - Corporation
  - Association
  - Committee
  - Voluntary group
  - Other (specify) \_\_\_\_\_
- Individual—State his nationality \_\_\_\_\_

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

- a) Branch or agency represented by the registrant.  
Ministry of Finance - Embassy - USA
- b) Name and title of official with whom registrant deals.  
Yair Seroussi, CFO, Ministry of Finance

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

- a) Principal address
- b) Name and title of official with whom 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

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

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

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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.

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Date of Exhibit A  
January 8, 1992

Name and Title  
Harriet Mouchly-Weiss  
President

Signature



**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.

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Name of Registrant	Name of Foreign Principal
The GCI Group Inc.	Government 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.

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


Public relations services to be provided by the GCI Group include counseling, creating, planning and working on specific public relations projects; preparation of written and other public relations materials, representing the Government of Israel.

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

(As outlined in Agreement)

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.

Date of Exhibit B	Name and Title	Signature
January 8, 1992	Harriet Mouchly-Weiss 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.

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**GOVERNMENT OF ISRAEL**  
ECONOMIC OFFICES  
**MINISTRY OF FINANCE**  
350 FIFTH AVENUE  
NEW YORK, N. Y. 10118  
CABLE ADDRESS TRISRA, NEW YORK



December 23, 1991

Harriet Mouchly Weiss  
President  
GCI International  
777 Third Avenue  
New York, NY 10017

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Dear Harriet,

We are submitting hereby the letter of agreement under which GCI International (including APCO Associates, Inc.) (hereinafter referred to together as "GCI") will provide public relations services to the Government of Israel-Economic Minister-Embassy of Israel U.S.A. ("Economic Minister") and Government of Israel Ministry of Finance (hereinafter referred to together as G.O.I.), for the period beginning on January 1, 1992 to March 30, 1992.

The terms of the agreement are as follows:

SERVICES

1. GCI will carry out and implement a public relations program. GCI will provide public affairs counseling; prepare necessary communications material -- including press releases, fact sheets, brochures and any other necessary auxiliary material; seek out qualified spokespeople and assist in presenting the issue of the Israeli economy; prepare a media relations plan (local and national, electronic and press). GCI will submit a detailed plan (the "plan") not later than January 2, 1992. The plan will detail the duties and services GCI shall provide for the term of this agreement. The plan must be approved by the Economic Minister. Submission of the plan by GCI shall be a condition precedent to the execution and effectiveness of this agreement execution.

2. The plan shall be subject to modifications and/or additions during the term of this agreement mutually agreeable to the parties. GCI shall not change any part of the plan without getting approval from the Economic Minister.
3. GCI will assign employees to work on the plan according to the attached annex A (the "GCI team"). The GCI team is incorporated into this agreement. In addition to the core GCI team as specified in Annex A, GCI will utilize other staff as needed in order to fully implement the plan.
4. GCI will maintain accurate records of all staff time work, including the GCI team, and all out of pocket expenses and shall submit a detailed report of time and expenses on a monthly basis to G.O.I.-Ministry of Finance New York.

#### PAYMENT TERMS

5. In consideration for services performed by GCI, the G.O.I. will compensate GCI as follows:
  - a. . Three equal payments of \$40,000 to be paid on the last day of January, February and March 1992. GCI will bill the G.O.I. for three equal payments of \$40,000 on the first day of January, February and March 1992. The G.O.I.-Ministry of Finance will pay the due amount on the last day of the corresponding month. The total compensation for all services done by GCI in accordance with this agreement shall not exceed \$120,000.

- b. Out of pocket expenses shall be paid at the end of each month according to proven documentation that will be submitted to G.O.I.-Ministry of Finance at the beginning of each month, starting in February 1992. The first bill and report of expenses shall be given by GCI on February 1st and be paid with the second payment on the last day of February. The payment for March expenses is due no later than the last day of April 1992.

The total amount of out of pocket expenses shall not exceed, in any event, \$30,000.

6. Air travel within the U.S. will be booked in "coach" class. International travel will be booked in "business class". Hotel accommodations will be made in business hotels such as Marriott or Sheraton, and not luxury accommodations. Hotel arrangements in Israel, if needed, may be made by G.O.I. on behalf of GCI.

#### MODIFICATION

7. It is understood that the plan, the GCI team and the budget of \$120,000 fees and \$30,000 expenses are a material part of this agreement. Any modification of the plan or the budget and any change of the GCI team should be approved in writing by The Economic Minister. Transfer of money between out of pocket expenses and fees must be approved by G.O.I.

#### TERMINATION

8. G.O.I. reserves the right to terminate the agreement at any time and for any reason. In such an event GCI will be compensated pro rata to the time of such cancellation and will be paid all out of pocket expenses it has incurred in implementing the plan until it was cancelled. Such expenses shall not exceed the amount of \$30,000 including any expenses incurred in the process of terminating the agreement.

## GENERAL TERMS

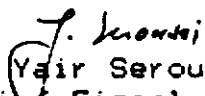
9. GCI acknowledges its responsibility both during and after the term of its appointment to use all reasonable efforts to preserve the confidentiality of any confidential information that came to its knowledge in relation to this agreement or the plan.
10. All materials or documents prepared, purchased or furnished by GCI on account of and produced during the term hereof become the property of G.O.I., provided there is no outstanding indebtedness due to GCI from G.O.I.
11. GCI will endeavor to the best of its ability to guard against any loss to G.O.I. through failure of suppliers to execute properly their commitments.
12. It is understood that GCI cannot undertake to verify facts supplied to it by the G.O.I. and shall not be responsible for errors in factual matter included in the material prepared by GCI and approved by the Economic Minister except if caused by the wrongful or negligent acts of GCI. Except with respect to any wrongdoing or negligence on part of GCI, the G.O.I. agrees to indemnify and hold harmless GCI from and against any and all losses, claims, damages or liabilities, including reasonable attorneys' fees and disbursements, that GCI may incur as the result of the dissemination of such facts or material by GCI.
13. GCI shall indemnify and hold the G.O.I. harmless from any and all liabilities, damages, claims, judgments, and expenses (including reasonable attorney's fees and disbursements) suffered or incurred by the G.O.I. as a result of a breach by GCI of any representation or warranty made hereunder in the performance of this Agreement and claims relating to libel, slander, defamation, invasion of privacy, piracy, idea misappropriation and infringement of copyright.





14. This Agreement shall be governed and construed in accordance with the laws of the State of New York. GCI and the G.O.I. agree that any dispute hereunder will be adjudicate by binding arbitration in New York, New York, subject to the rules of the American Arbitration Association. GCI and the G.O.I. agree that judgment upon the award rendered by the arbitrators may be entered in a court of competent jurisdiction located in the State of New York.

15. Headings used herein are for identification only, and shall not affect the interpretation of the provisions hereof. References in the masculine gender shall include the feminine, and singular shall include plural and vice versa where appropriate. This agreement incorporates and supersedes any prior written or oral agreements or understandings of the parties and may not be modified except by a writing signed by both parties.

May we ask you to signify your approval for this agreement by affixing your signature to the copy enclosed

  
Yair Seroussi  
Chief Fiscal Officer  
Government of Israel  
Ministry of Finance

  
Menachem Rosenberg  
Deputy Chief Fiscal Officer  
Government of Israel  
Ministry of Finance

  
Harriet Kouthly Weiss  
President  
GCI Internat...ca:



מְדִינַת יִשְׂרָאֵל

**GOVERNMENT OF ISRAEL  
MINISTRY OF FINANCE**

**MENACHEM ROSEN-ROSENBERG  
D. CHIEF FISCAL OFFICER  
(212) 560-0626**

ANNEX A

The GCI Team

The people who will be working on the account are:

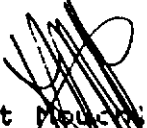
<u>Person</u>	<u>Hours</u>
Harriet Muchly-Weiss	120
Margery Kraus	54
Barty Schumacher	235
Ellin Ginsburg	25
Nicolo Gordon	240
Cecile Ablack	54
Don Bohker	16
Total hours	744

The following people may also charge time to the account:

Robin Bronk  
Robin Liebowitz  
Monica Watson

*J. Seroussi*  
Fair Seroussi  
Chief Fiscal Officer  
Government of Israel  
Ministry of Finance

*Rosen*  
Menachem Rosenberg  
Deputy Chief Fiscal Officer  
Government of Israel  
Ministry of Finance

  
Harriet Muchly-Weiss  
President  
GCI International