

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 BSMG Worldwide 1501 M Street, N.W., #600 Washington, DC 20005	2. Registration No. 3911
3. Name of foreign principal Embassy of the Republic of Bulgaria	4. Principal address of foreign principal 1621 22nd Street, N.W. Washington, D.C. 20008

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 _____

SEP 11 1988
REGISTRATION UNIT
CRIMINAL DIVISION
U.S. DEPT. OF JUSTICE

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

- a) Branch or agency represented by the registrant. Embassy of the Republic of Bulgaria
- b) Name and title of official with whom registrant deals. The Ambassador, Philip Dmitrov

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

- 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,

N/A

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

b) Is this foreign principal N/A

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.)

N/A

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.

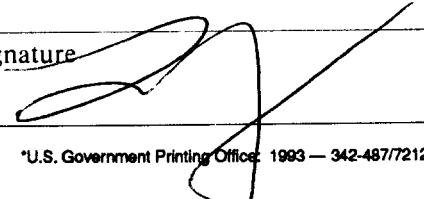
N/A

Date of Exhibit A,

1/27/99

Name and Title
Lance Morgan
Partner

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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Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 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, DC. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

Name of Registrant	Name of Foreign Principal
BSMG Worldwide	Embassy of the Republic of Bulgaria

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.

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

Provide advice and counsel relating to communications activities to the Republic of Bulgaria in the United States. Assist in drafting, design and production of informational materials. Work with media organizations and offices of the U.S. Government and Congress to advance the interests of the foreign principal.


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

Same as answer #4

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.

Various federal agencies and Congress could possibly take action on matters related to the principal's interests. Consequently, our activities would explain their attitude toward any such activities and further explain the possible impact any such government decisions might have on the Embassy of the Republic of Bulgaria.

Date of Exhibit B	Name and Title	Signature
1/27/99	Lance Morgan Partner	

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 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.

BSMG WORLDWIDE
Communications Management

January 15, 1999

His Excellency
Philip Dimitrov
Ambassador
Embassy of the Republic of Bulgaria
1621 22nd Street, NW
Washington, DC 20008

Dear Mr. Ambassador:

This letter, when signed by both the Republic of Bulgaria (hereinafter "you" or "your") and BSMG Worldwide, Inc. (hereinafter "we", "us" or "our"), shall constitute the agreement (the "Agreement") between you and us with regard to our appointment by you as a consultant for your communications work. We agree hereby to render you various professional, strategic counsel and public relations services to assist the Republic of Bulgaria in communicating its positions and interests and, in general, providing any other appropriate advice and assistance.

1. For our services and outlays on your behalf, you agree to pay us as follows:
 - (a) A fee (the "Fee") of \$150,000 for our services and for all non-travel related out-of-pocket expenditures incurred by us on your behalf. \$25,000 of this Fee is payable upon execution of this Agreement. The balance of the Fee is payable in \$25,000 increments, which are due February 15, March 15, April 15, May 15 and June 15, 1999.
 - (b) For all out-of-pocket expenditures related to travel outside the territory of the United States of America, incurred by us on your behalf, you shall reimburse us for our costs, upon your receipt of itemization thereof.
2. The term of this Agreement shall commence as of January 15, 1999, and shall continue through July 14, 1999, unless or until notice of earlier termination is given by either party. Any notice of earlier termination by either party must be given in writing by registered or certified mail to the other party not less than thirty (30) days prior to the date of termination. Upon receipt of such notice of termination, we shall cease incurring costs on this project, except such costs that are necessary to close out this project. If this Agreement is earlier terminated, you shall be obligated to reimburse us for actual costs and fees incurred through the effective date of termination, including all of our contractual, legal and other commitments to third parties for services and materials under this Agreement.

3. Our invoices are payable upon receipt and are considered delinquent after thirty (30) days, at which time you agree to pay us simple interest computed at one and one-half (1 1/2%) percent over the prime rate of interest in effect at Citibank, N.A., in New York City, on the amount outstanding at the end of such 30-day period, until such payment is received. You agree to reimburse us for any costs we incur (including reasonable attorney's fees) in connection with our attempts to collect any sums which are over thirty (30) days past due. In the event of a disputed charge, you shall notify us in writing of the disputed amount and reason for the dispute, and you shall pay all undisputed amounts owed while the dispute is under negotiation.
4. We agree that any and all contracts, correspondence, books, accounts and other sources of information relating to your accounts shall be available for inspection at our office by your authorized representative during ordinary business hours upon reasonable notice to us.
5. Upon termination of this Agreement and receipt of any outstanding payments due us, we shall transfer and make available to you or your representatives all property and materials in our possession or control which belong to you.
6. We agree that, in the process of providing professional services to you, you may provide sensitive confidential information, the disclosure of which would be to your detriment. We represent that we shall not use or disclose to any third party any of such information, data or materials without your prior explicit consent, and shall use it only for your benefit under the professional services to be performed by us under this Agreement.
7. You agree to indemnify us and hold us harmless from and against any loss, damage or expense, including reasonable attorney fees and costs, sustained by us as a result of any claim or action brought against us which is based upon information, data or the materials supplied by you to us and used for services provided by us hereunder, or as a result of any action, regulatory proceeding or investigation in which we are subpoenaed as a witness in cases the subject of which is the content of information, data or materials supplied by you and used for services provided by us hereunder.

Republic of Bulgaria
January 15, 1999
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We agree to indemnify you and hold you harmless from and against any loss, damage, or expense, including reasonable attorney fees and costs, sustained by you as a result of our having used in a manner incompatible with United States laws and regulations, or as a result of other inappropriate handling of information, data or materials supplied by you to us.

8. Strategy XXI Group, based in New York City, NY, shall be involved in the implementation of this project.
9. This Agreement shall be construed in accordance with the laws of, and subject to the jurisdiction of the courts located in, the State of New York, without regard to its conflict of laws rules.

If the above meets with your approval, we would appreciate your so indicating by signing both enclosed originals of this letter where indicated. Please return one original to us and retain the other for your files.

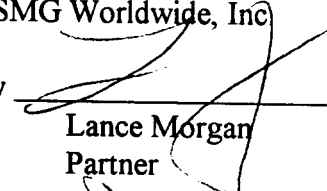
Very truly yours,

BSMG Worldwide, Inc

By


Lance Morgan
Partner

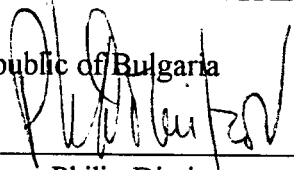
Date


Jan. 19, 1999

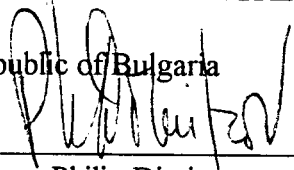
ACCEPTED AND AGREED:

Republic of Bulgaria

By


Philip Dimitrov
Ambassador

Date


Jan. 19th 1999