

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 Galland, Kharasch, Morse & Garfinkle, P.C. 1054 Thirty-First Street, N.W. Washington, D.C. 20007	2. Registration No. 04006
3. Name of foreign principal Deutsche Lufthansa, A.G.	4. Principal address of foreign principal 2-6 Von Gablenz Strasse D-5000 Cologne 21 Germany

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: N/A

- a) Branch or agency represented by the registrant.
- b) Name and title of official with whom registrant deals.

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

- a) Principal address
- 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  
International airline

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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.)

The German Government is a 53% shareholder of Deutsche Lufthansa, A.G.

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 14 February 1994	Name and Title Morris R. Garfinkle Managing Partner	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 triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

**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 .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, D.C. 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
Galland, Kharasch, Morse & Garfinkle, P.C.	Deutsche Lufthansa, A.G.

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.

The registrant will provide legal services to Lufthansa regarding the negotiation of a bilateral aviation agreement between the United States and Germany and advise Luftnansa on the U.S.-German bilateral aviation relationship.

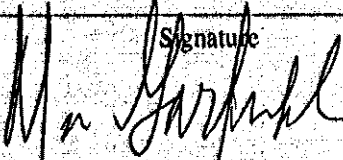
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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal. The registrant will monitor the negotiations between U.S. and German representatives and report to Luftnansa on the progress of these negotiations. The registrant may also advise Lufthansa on the development of positions for the negotiations.

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

The registrant may from time to time hold discussions with U.S. Government officials.

Date of Exhibit B 14 February 1994	Name and Title Morris R. Garfinkle Managing Partner	Signature 
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\*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.

GALLAND, KHARASCH, MORSE & GARFINKLE, P. C.

CANAL SQUARE

1054 THIRTY-FIRST STREET, N. W.

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DANIEL B. HASSETT  
CYNTHIA C. CRAWFORD  
XIANPING WANG\*

\*NOT ADMITTED IN D.C.

June 11, 1992

ROBERT N. KHARASCH  
ANTHONY J. MCMAHON  
DARD F. STAGG\*  
ALBERT F. GRISARD  
OF COUNSEL

GEORGE F. GALLAND (1910-1985)

WRITER'S DIRECT DIAL NUMBER

(202) 342-5263

Mr. Ulrich Schulte-Strathaus  
Vice President  
International Relations  
Deutsche Lufthansa AG  
2-6, Von-Gablenz-Strasse  
D-5000 Cologne 21  
Germany

Dear Mr. Schulte-Strathaus:

Re: Retainer Agreement

Galland, Kharasch, Morse & Garfinkle, P.C. is pleased that Deutsche Lufthansa AG has chosen our law firm to provide legal representation in connection with air bilateral issues. As required by a new District of Columbia law, we are setting forth the basis for our fees as follows:

1. Retainer Fee.

In connection with the legal representation contemplated by this letter, no retainer shall be required.

2. Fees.

The firm charges for all time involved in any matter. This includes time expended in opening the new file, conducting needed investigation and research, reviewing and drafting correspondence and documents, conferring personally or by telephone, travel, and all other time required to handle the case. Time is kept in increments of one tenth of an hour.

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Mr. Ulrich Schulte-Strathaus  
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The firm's fees will be based on our standard hourly rates in effect at the time legal services are rendered.

At present, our hourly rates range as follows:

<u>Staff Level</u>	<u>Hourly Rate</u>
Partner	\$ 175 - 325
Associate	\$ 90 - 160
Law Clerk	\$ 65 - 85
Paralegal	\$ 45 - 65

We reserve the right to readjust the above rates from time to time in our discretion, and such readjustment will be effective without notice. We will notify you, however, if these rates become substantially inaccurate.

3. Reimbursable Expenses.

In addition to the payment of the firm's fees, Lufthansa shall be responsible for the payment of all out-of-pocket costs and incidental expenses incurred in connection with our legal representation. Such costs and expenses will, without limitation, include: filing fees, long distance telephone charges, copying costs, printing costs, travel expenses, transcript costs, binding costs, mailing costs, courier services, filing fees, staff overtime, and other similar costs incident to our representation of Lufthansa. Major expenses, such as third-party service fees, may be required, but will not be incurred without prior client approval. Lufthansa agrees to pay costs directly to others upon request of this firm.

4. Billing Statements.

We will provide to Lufthansa, on a monthly basis, descriptive billing statements reflecting amounts due for services rendered and costs incurred.

5. Time of Payment of Billing Statements; Accrual of Interest.

Our monthly billing statements shall be payable upon receipt. It is expressly agreed that any amount not paid within 30 days of the date of the applicable billing statement shall bear interest at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law. Accrued interest, if any, shall be reflected on subsequent billing statements. Amounts received in payment of any unpaid and outstanding balance shall be applied first to accrued interest and then to the actual fee or fees for services rendered.

Mr. Ulrich Schulte-Strathaus  
June 11, 1992  
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Notwithstanding the foregoing, if the client is a debtor under the federal bankruptcy code, payment of fees may be subject to approval of the United States Bankruptcy Court.

6. Termination of Representation.

This Retainer Agreement shall in no way limit the right of Lufthansa to terminate this legal representation upon payment in full of any outstanding balance due this firm. Nor shall the firm be in any way limited from withdrawing its representation.

\* \* \*

If the above terms meet with your approval, please sign and date the enclosed copy of this letter where indicated below and return it to us. If you have any questions regarding the terms of this letter, please feel free to contact us.

We look forward to serving Lufthansa.

Sincerely,

GALLAND, KHARASCH, MORSE &  
GARFINKLE, P.C.

By: \_\_\_\_\_  
Morris R. Garfinkle

Agreed to and accepted this \_\_\_\_\_ day of June, 1992.

DEUTSCHE LUFTHANSA AG

By: Ulrich Schulte-Strathaus  
Title: Vice President International Relations

M. R. Garfinkle  
Senior Legal Counsel