

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 International Development Systems, Inc. 733 15th Street, NW, Suite 520 Washington, DC 20005	2. Registration No.  4012
3. Name of foreign principal The Government of Hong Kong	4. Principal address of foreign principal Hong Kong Economic & Trade Office 1233 20th St., NW, Suite 504 Washington, DC 20036

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

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

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

Stephen Chung, First Secretary, Hong Kong Economic & Trade Office

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

N/A

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FEDERAL BUREAU OF INVESTIGATION  
INTERNATIONAL SECURITY DIVISION

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

N/A

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.)

This is an Agreement whereby IDS will act as a consultant to conduct research, provide technical services and advise the government of Hong Kong in relation to matters pertaining to the textile and apparel trade between Hong Kong and the USA and other related issues.

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

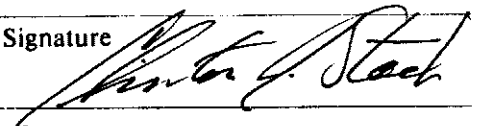
Date of Exhibit A

9/22/92

Name and Title

Clinton J. Stack, 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.

**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.

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Name of Registrant	Name of Foreign Principal
International Development Systems, Inc.	Government of Hong Kong

Check Appropriate Boxes:

- 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.
- 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.
- 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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GENERAL INVESTIGATION  
SECTION

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

The Government of Hong Kong is seeking the services of a consultant in order to render support, advice, conduct date research and technical analysis on the textile and apparel trade between Hong Kong and the USA.

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

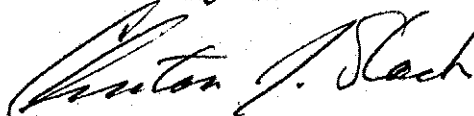
IDS will act as consultants to the Government of Hong Kong, will conduct research, provide technical services and advise the Government of Hong Kong in relation to matters pertaining to the textile and apparel trade between Hong Kong and the USA and other related issues.

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.

N/A.

Date of Exhibit B	Name and Title	Signature
9/22/92	Clinton J. Stack, 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.

Dated 31 December, 1991

The Hong Kong Government

and

International Development Systems, Inc.

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Consultancy Agreement

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D. G. C. GENERAL DIVISION  
INTERNATIONAL SECURITY SERVICES

CONSULTANCY AGREEMENT

DATED 31 December, 1991

PARTIES

1. The Government of Hong Kong ("the Government");
2. International Development Systems, Inc., a company incorporated under the laws of the United States of America and having its office in 733 15th Street, N.W., Suite 520, Washington D.C. 20005, U.S.A. ("the Consultant").

RECITALS

- (A) The Government is seeking the services of a consultant in order to render support, advice, conduct data research and technical analysis on the textile and apparel trade between Hong Kong and the United States of America ("U.S.A").
- (B) The Government has selected the Consultant to act as consultant and to conduct research, provide technical services and to advise the Government in relation to matters pertaining to the textile and apparel trade between Hong Kong and the U.S.A. and other related issues.
- (C) The Consultant is ready and willing to act as consultant as aforesaid subject to and in accordance with the provisions hereinafter set forth.

PROVISIONS

1. Interpretation

- 1.1 In this Agreement, the following words and expressions shall have the meaning hereby assigned to them except when the context otherwise requires:

"Commencement Date"

means 1st January, 1992;

"Completion Date"

means 31st December, 1992;

"Consultancy Fee"

means the aggregate of:

- (i) professional charges under this Agreement; and
- (ii) out-of-pocket expenses including travel expenses in the U.S.A. and other disbursements properly incurred by the Consultant in the performance of its duties under this Agreement;

"Consultancy Services"

means the provision of appropriate prior warnings, research, analysis, general and technical data, assistance in discussion and advice on the following:-

- (i) matters relating to the economic relationship between Hong Kong and the U.S.A. arising from trade in textile and apparel including such matters as calls on categories subject to the Export Authorisation System, import and export data reconciliation, negotiation and consultation on matters regarding the textile and apparel trade;
- (ii) matters relating to the administration of the textile import program by the Government of the U.S.A. including rules on country of origin, import licensing and proposals for measures which might

have restrictive effects on textile and apparel trade;

- (iii) customs legislation and administration procedure of the U.S.A. including the collection and regular updating of U.S. customs and court rulings and actions on textile classification which affect or may affect the categorisation of textile and apparel under the Bilateral Textiles Agreement between Hong Kong and the U.S.A. (1992 - 1995);
- (iv) trade policy, measures and legislative proposals of the U.S.A. which may affect the trade in textile and apparel between Hong Kong and the U.S.A.;
- (v) the textile and apparel market and the textiles industry in the U.S.A. including regular updates on data and other information on production, employment, exports, imports, import penetration and prices;
- (vi) actions whether proposed or taken by the Government of the U.S.A. in relation to other textiles supplying countries;



(vii) if required by the Government, the impact of the new textile and apparel category system of the U.S.A. and the Harmonised Commodity Code on Hong Kong's access to the textile and apparel market in the U.S.A.; and

(viii) any other related services;

"Consulting Team" means the team of officers or servants of the Consultant providing the Consultancy Services pursuant to this Agreement;

"day" means any business day in the U.S.A.;

"dollar", "\$" means the United States dollar being the lawful currency in the U.S.A.;

"Force Majeure" means the outbreak of war affecting Hong Kong or the U.S.A., hostilities (whether war be declared or not), invasion, acts of foreign enemies, rebellion, revolution, military or usurped power, the overthrow whether by external or internal means of the Government, civil war, riot, civil disturbances, fire, Government action, civil commotion, acts of God, or any cause which is beyond the reasonable control of either party or any cause which prevents or adversely affects the performance of the Consultant's duties and obligations hereunder;

"person" means any individual, corporation, firm and any unincorporated body.

1.2 Words importing the singular only include the plural and vice versa where the context requires.

1.3 The headings or notes in this Agreement are for ease of reference only and shall not limit or extend the interpretation of this Agreement.

1.4 Each gender includes the other where the context requires.

2. Appointment and Duration of Consultancy Services

2.1 The Government hereby appoints the Consultant as consultant to perform the Consultancy Services in accordance with the provisions hereof, commencing on the Commencement Date. The Consultant shall complete the Consultancy Services on the Completion Date.

2.2 The retainer of the Consultant may be extended for a further term upon the mutual agreement of the parties hereto, on such terms and conditions to be negotiated between the Government and the Consultant.

3. Non Exclusion

3.1 The services provided by the Consultant hereunder shall not be exclusive. The Consultant shall use its best endeavours, however, not to undertake any other service or services which is, are or may be in conflict with the proper performance of its duties under this Agreement. In the event that a conflict of interest shall arise or it becomes apparent to the Consultant that a conflict of interest is likely to arise the Consultant shall immediately inform the Government in writing and the provisions of Clauses 3.2 and 3.3 hereunder shall take

effect.

3.2 In the event that the Government shall determine, at its sole discretion, that a conflict of interest exists or is likely to arise as a result of an existing or new consultancy or other service undertaken by the Consultant, the Government shall, at its option, be entitled immediately to terminate this Agreement and, in such case, the professional charges of the Consultant provided for in Clause 6 shall be calculated on a pro-rata basis payable with respect to the period up to the date of termination. Subject to Clause 6 any out-of-pocket expenses properly incurred by the Consultant up to the date of termination shall also be paid to the Consultant.

3.3 The Consultant shall, at such time, deliver to the Government all documents, data and other papers in relation to the consultancy services completed prior to the date of termination in an orderly professional manner.

4. Services provided by the Government

The Government shall have and perform the following powers and duties:-

4.1 Liaison services and advice to the Consultant

The Hong Kong Economic and Trade Office, British Embassy in Washington, D.C. in the U.S.A. ("the Washington Office") and (if appropriate under the circumstances) the various concerned departments of the Government shall provide such liaison services, advice, guidance and assistance to the Consultant in relation to the exercise of the Consultant's functions and duties under this Agreement. Meetings may be held between members of the Washington Office (representatives of the various concerned departments of the Government if appropriate) and the leader and other members of the Consulting

Team for the purposes of this Clause 4.1. The Consultant shall advise and assist the Washington Office (and the various concerned departments of the Government if requested by the same) on all matters relating to the duties it has assumed under this Agreement.

4.2 Staff and Administration Support

The Government shall not provide any staff or administration support to the Consultant in the performance of its duties hereof.

5. Relationship of the parties

5.1 The Consultant enters into this Agreement with the Government as an independent contractor only and shall not represent itself as an employer, employee or servant of the Government.

5.2 Neither party hereto is the agent of the other nor shall anything herein be construed as in any way constituting a partnership between the parties hereto.

5.3 Neither party shall commit the other to any obligation whatsoever.

5.4 The provisions of Clause 5 or any part thereof shall not apply where prior written consent to waive the same has been given by the other party concerned.

6. Payment

6.1 Subject to the provisions of this Agreement, the Government shall pay to the Consultant a Consultancy Fee as compensation for the performance of its duties under this Agreement. The amount of the Consultancy Fee shall be forty-three thousand nine hundred and eighty dollars (\$43,980) made up of forty-one thousand five hundred and eighty dollars (\$41,580) being the

professional charges of the Consultant and a maximum amount of two thousand and four hundred dollars (\$2,400) being out-of-pocket expenses of the Consultant properly incurred in the carrying out of its duties under this Agreement.

6.2 Subject to the provisions of this Agreement, the forty-one thousand five hundred and eighty dollars (\$41,580) professional charges and the two thousand four hundred dollars (\$2,400) out-of-pocket expenses hereinbefore mentioned in Clause 6.1 shall be paid by the Government to the Consultant by telegraphic transfer to a bank account nominated by the Consultant or by such method or methods as may be agreed in writing between the parties hereto from time to time. The forty-one thousand five hundred and eighty dollars (\$41,580) shall be paid in four instalments : ten thousand three hundred and ninety five dollars (\$10,395) each on 31st March 1992, 30th June 1992, 30th September 1992, and 31st December 1992.

6.3 The Consultancy Fee shall include any fees, costs and disbursements incurred by any subcontractors (if appointed) in the proper performance of this Agreement.

6.4 For the purposes of this Agreement, the out-of-pocket expenses hereinbefore referred to in Clause 6.1 include all costs, charges and disbursements properly incurred by the Consultant in the performance of its duties under this Agreement and shall only include the following expenditure:-

- (i) travel expenses of the Consultant within the U.S.A.;
- (ii) photocopy and other stationery charges and expenses
- (iii) expenses incurred in communication with the Government including the Washington Office. Such expen-

ses shall include postage, telex, telephone, messenger and facsimile expenses;

(iv) any other necessary expenses incurred by the Consultant in the proper performance of its duties under this Agreement.

6.5 No payment of the out-of-pocket expenses hereinbefore mentioned or any part thereof will be made without the production of the relevant vouchers, invoices, receipts and other evidence showing that such expenditure has been incurred.

6.6 Subject to Clause 6.7, the Consultant shall not be entitled to any payment whatsoever other than the Consultancy Fee referred to in this Clause.

6.7 No major expenses such as international travel, major projects involving extensive research, or entertainment are envisioned under this Agreement. However, should the Consultant be requested to perform such activities, the request will be subject to discussion and agreement on a case by case basis. Subject to the agreement between the Government and the Consultant, the latter shall be separately compensated for expenses and professional fees. The payment of such additional compensation shall be conditional upon the additional services (if any) being properly performed and these expenses being necessary under the circumstances.

7. Copyright

7.1 The Consultant shall make every reasonable effort, in the course of the performance of the Consultancy Services, not to infringe the copyright or other intellectual property of any publications and shall in any event indemnify and keep indemnified the Government against all actions, claims,

damages and costs which may be sustained by the Government resulting from any such infringement.

7.2 The Consultant shall not be entitled to use any data, reports, documentation and other particulars or things prepared or received by it in the course of the Consultancy Services or disclose the contents thereof or any other information pertaining to the Consultancy Services in its possession to any person other than a person employed or engaged by the Consultant in carrying out this Agreement unless the Government's prior written approval is obtained.

8. Conduct of the Consultancy Services

The Consultant warrants that the Consultancy Services will be performed and completed in a professional manner and that the Consultant and other person employed or engaged by it shall use all proper and professional skill, care and diligence in the performance of the Consultancy Services and the discharge of all duties and obligations.

9. Confidentiality

The Consultant shall not without the prior written approval of the Government at any time either during the course of this Agreement or thereafter divulge to any third person information specified as confidential in connection with the Consultancy Services or otherwise relating to or concerning the Government. The Consultant shall use its best endeavours to ensure that all members of its staff comply with the requirements of this provision. This obligation shall not apply to information i) previously known to the Consultant as evidenced by its records; ii) subsequently otherwise acquired by the Consultant from a third party having an independent right to disclose the information; iii) which is now or later becomes publicly known through no fault of the Consultant.

10. Assignment

The Consultant shall not give, bargain, sell, assign, or otherwise dispose of the Consultancy Services or any part thereof, any benefit therein, or any interest, rights, benefit or obligation under this Agreement.

11. Sub-Contracting

11.1 The Consultant shall not subcontract the whole, a part or parts of the Consultancy Services to any person whatsoever save with the prior written consent of the Government.

11.2 The Subcontracting of any part of the Consultancy Services pursuant to the provisions of Clause 11.1 shall not relieve the Consultant from any liability, duty or obligation under this Agreement and it shall be responsible for the acts, defaults and neglect of any subcontractor and its officers as if they were the acts, defaults or neglect of the Consultant.

12. Notices to the Consultant

12.1 Notices may be delivered or despatched by mail, or may be telexed or sent by facsimile to the Consultant's address in 733 15th Street, N.W., Suite 520, Washington D.C. 20005, U.S.A., telex : 4937290 IDS UI, facsimile : (202) 783-0727 or to such other address (and in the case of telex or facsimile to such telex or facsimile addresses) as the Consultant may have designated in writing to the Government.

12.2 Such notices shall be deemed to have been properly delivered or given hereunder and shall be effective on the date of delivery if delivered, telexed or sent by facsimile or, if despatched by mail (whether registered or not), on the day on which the same shall have been tendered for delivery by the relevant postal authority in the U.S.A. or Hong Kong (depending on whether such notices are given by the Washington



Office or the various concerned departments of the Government as the case may be).

13. Notices to the Government

13.1 Notices may be delivered or despatched by mail, or may be telexed or sent by facsimile to the Government's address in c/o Hong Kong Economic and Trade Office, British Embassy, 1233, 20th Street, N.W., Suite 504, Washington D.C. 20036, U.S.A, telex: 023440484 HKWSH UI, facsimile : (202) 331-8958, or to such other address (and in the case of telex or facsimile to such telex or facsimile addresses) as the Government may have designated in writing to the Consultant.

13.2 Such notices shall be deemed to have been properly delivered or given hereunder and shall be effective on the date of delivery if delivered, telexed or sent by facsimile or, if despatched by mail (whether registered or not), on that day on which the same shall have been tendered for delivery by the postal authority in the U.S.A.

14. Waiver

No failure by either part to exercise and no delay by either party in exercising any right or remedy available to it under this Agreement or in law or in equity shall operate as a waiver of such right or remedy; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof; nor shall any such failure to exercise, or delay in exercising, or single or partial exercise of any such right or remedy preclude the exercise of any other right or remedy; and the rights and remedies of each party herein contained shall be cumulative and not exclusive of any other rights or remedies provided by law or in equity.

15. Information

The Government shall furnish the Consultant with all or any available and/or pertinent information, knowledge and assistance as the Consultant may reasonably and properly require to enable it to perform its obligations hereunder.

16. Use of the Government's Name

The Consultant agrees not to use the Government's name in any document, publication, advertisement or publicity material save with the prior written consent of the Government.

17. Variations

Subject to the provisions of this Agreement, no waiver, cancellation, alteration or amendment of or to the provisions of this Agreement shall be valid unless made by written instrument signed by authorised signatories of the Consultant and the Government.

18. Force Majeure

18.1 If either party to this Agreement should be prevented or delayed in the performance of this Agreement by Force Majeure, the party so prevented or delayed shall be excused from performance for so long as such case of prevention or delay shall continue. The party affected by the prevention or the delay shall give notice to the other party as soon as possible of the occurrence of the Force Majeure event. Nothing herein is intended to remove the obligation of the Government to make payment for the Consultancy Services rendered up to the event of Force Majeure.

18.2 In the event of Force Majeure, the parties will diligently endeavour to achieve, as soon as possible, the normal pursuit of the Agreement and to regain the time lost. The completion date of the affected Consultancy Services shall be extended by

the number of days delay actually caused by such event of Force Majeure unless a different extension shall be agreed between the parties. In all other respects the obligations of the parties hereunder shall be unaffected.

19. Termination

- 19.1 Either party may terminate this Agreement by notice in writing, delivered or despatched by registered mail to the other party hereto, not less than thirty (30) days prior to the date upon which such termination becomes effective.
- 19.2 Breach of any conditions contained in this Agreement by either party shall entitle the other party to terminate this Agreement upon thirty (30) days' prior written notice unless such breach (capable of being remedied) is remedied within such period.
- 19.3 The Government shall be entitled to terminate this Agreement forthwith if the Consultant shall go into liquidation other than a voluntary liquidation for the purpose of amalgamation or reconstruction or if a receiver has been appointed over any of its assets.
- 19.4 Upon termination of this Agreement, the Consultant shall deliver to the Government as soon as possible all documents, data and other papers in relation to the Consultancy Services completed up to that time. Such are to be delivered to the Government in an orderly and understandable manner. Payment will be due to the Consultant for the portion of the Consultancy Services completed prior to the termination of this Agreement.

20. Arbitration

20.1 If any dispute or difference shall arise between the parties hereto touching any matter or thing connected with this Agreement the same shall be referred, following written notice of the existence of the dispute or difference given by one party to the other, to a single arbitrator, sitting in Hong Kong, who shall arbitrate the dispute or differences in accordance with the provisions of the Arbitration Ordinance of Hong Kong or any statutory modification or re-enactment thereof for the time being in force.

20.2 The award of the arbitrator shall be final and binding on both parties.

21. Invalidity of Provisions

If at any time any one or more provisions hereof shall be adjudged to be invalid or illegal in any respect under any applicable law, the validity and the legality of the remaining provisions hereof shall not in any way be thereby impaired or affected.

22. Proper Law

This Agreement shall be subject to and construed in accordance with the laws of Hong Kong.

IN WITNESS WHEREOF, this Agreement has been entered into as of the day and year first above written and evidenced by as many copies as there are parties hereto.

SIGNED BY  
for and on behalf of the  
Hong Kong Government  
in the presence of :



Witness : Signature



Name

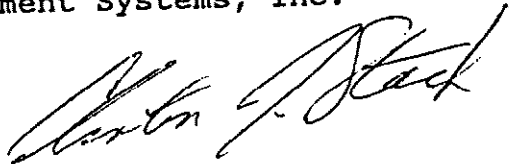
STEPHEN CHUNG

Address 1233 , 20th St, N.W. Suite 504, Washington D.C.

Occupation First Secretary, Hong Kong Economic & Trade Office

SIGNED BY  
for and on behalf of  
International Development Systems, Inc.  
in the presence of :

Witness : Signature



Name CLINTON J. STACK

Address 733 15TH STREET, N.W. SUITE 520  
WASHINGTON, D.C. 20005

Occupation PRESIDENT.