

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 Advisers Inc.	2. Registration No. 4203
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3. Name of foreign principal Embassy of Turkey	4. Principal address of foreign principal 1606 23rd Street, N.W. Washington, D.C. 20008
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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
 - Partnership
 - Corporation
 - Association
 - Individual—State his nationality

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DEPT. OF JUSTICE
CRIMINAL DIVISION
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INTERNATIONAL SECURITY
REGISTRATION UNIT

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

- a) Branch or agency represented by the registrant. Embassy of Turkey
- b) Name and title of official with whom registrant deals. His Excellency Sukru Elekdag
Ambassador of the Republic of Turkey

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

- a) Principal address N/A
- 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 N/A

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 January 11, 1989	Name and Title Douglas J. Feith, Chairman and Chief Executive Officer	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
INTERNATIONAL ADVISERS INC.	Embassy of Turkey

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 two 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 two 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 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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INTERNATIONAL ADVISERS
REGISTRATION

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

The over-all objective is to increase mutual understanding between the peoples of Turkey and the United States and promote effective cooperation between the two governments so that the Republic of Turkey is able to carry out its significant defense responsibilities within the framework of the Western Alliance. To this end, IAI will assist the efforts for the appropriation of U.S. military and economic assistance to the Republic of Turkey in conformity with the principles contained in the Side letter of the Agreement for Cooperation on Defense and Economy between the governments of the USA and the Republic of Turkey. As the maintenance and continued growth of understanding and cooperation between Turkey and the United States is largely dependent upon the projection of a fair and accurate image of Turkey in this country, IAI will help the Embassy to ensure that Turkey presents such a correct image in the United States and will endeavor to counter any efforts detrimental to the Turkish-U.S. relationship. In addition, IAI will advise and assist the Embassy regarding the promotion of bilateral trade and other economic relations and the realization of efforts aimed at the elimination of the Turkish trade deficit with the U.S., including, to that end, promoting the objective of U.S.-Turkish defense industrial cooperation.

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

IAI shall establish an office in Washington, D.C. dedicated to the strengthening of the political, economic, and security relationship between Turkey and the United States. Such office shall have a full-time staff comprising highly capable and experienced professional personnel knowledgeable of issues important to Turkey, and it shall be supported by directors, officers and outside consultants with the appropriate professional credentials and experience for this purpose. IAI's officers and staff will be available to Turkey's Ambassador in Washington and his staff as necessary both during and outside of working hours.

Such office shall maintain contact with officials of the Executive Branch, Members of Congress and congressional staff responsible for matters of importance to Turkey. It shall help inform the Embassy, in a timely manner, of political and news media developments in the United States affecting Turkey's interests, including such matters as military and economic assistance, NATO, and regional issues such as Cyprus and the Aegean. It shall provide to the responsible Executive Branch agencies and congressional offices the information concerning Turkey and Turkish positions that they need to discharge their duties responsibly and effectively.


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.

IAI will assist the Embassy with respect to security assistance and other programs to increase Turkey's effectiveness as a member of the NATO alliance and on other issues as the Embassy may from time to time request.

IAI shall advise and assist the Embassy in dealing with pending legislation and other matters requiring immediate attention; prepare substantive analyses, reports and statements for use by the Embassy in the projection of materials for the media and for any "information kits" about Turkey; support the Embassy's public relations program through contacts with commentators and other media personalities, business and community leaders, legislators and policy-makers; provide journalists and opinion-makers with timely and accurate briefings, fact-sheets, and analyses regarding matters affecting the U.S.-Turkish relationship.

Regarding longer-range interests, IAI shall: assist in developing special computer data bases; promote educational programs and international exchanges among individuals, enterprises and institutions; provide advice on encouraging U.S. tourism, investment, and commerce in Turkey.

Date of Exhibit B	Name and Title	Signature
January 11, 1989	Douglas J. Feith, Chairman of the Board and Chief Executive Officer	

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.

A G R E E M E N T

THIS AGREEMENT is made this 1st day of January 1989 ~~17 day of November, 1988~~ by and between the EMBASSY OF THE REPUBLIC OF TURKEY in Washington D.C. ("the Embassy") and INTERNATIONAL ADVISERS, INC., a District of Columbia corporation in formation ("IAI").

WHEREAS the Embassy wishes to enhance Turkey's relationship with the United States, promote greater appreciation and recognition of Turkey as a friend and key ally of the United States, and strengthen the bonds between Turkey and the United States and wishes to retain by this Agreement the services of IAI for this purpose; and

WHEREAS IAI has agreed to work with the Embassy to these ends;

THE PARTIES HAVE AGREED AS FOLLOWS:

ORGANIZATION AND MISSION

1. The over-all objective of this Agreement is to increase mutual understanding between the peoples of Turkey and the United States and promote effective cooperation between the two governments so that the Republic of Turkey is able to carry out its significant defense responsibilities within the framework of the Western Alliance. To this end IAI will assist the efforts for the appropriation of U.S. military and economic assistance to the Republic of Turkey in conformity with the principles contained in the Side Letter of the Agreement for Cooperation on Defense and Economy between the governments of the USA and of the Republic of Turkey. As the maintenance and continued growth of understanding and cooperation between Turkey and the United States is largely dependent upon the projection of a fair and accurate image of Turkey in this country, IAI will help the Embassy to ensure that Turkey presents such a correct image in the United States and will endeavor to counter any efforts detrimental to the Turkish-U.S. relationship. In addition, IAI will advise and assist the Embassy regarding the promotion of bilateral trade and other economic relations and the realization of efforts aimed at the elimination of the Turkish trade deficit with the U.S., including, to that end, promoting the objective of U.S.-Turkish defense industrial cooperation.

2. IAI shall establish an office in Washington, D.C. dedicated to the strengthening of the political, economic, and security relationship between Turkey and the United States. Such office shall have a full-time staff comprising highly capable and experienced professional personnel knowledgeable of

issues important to Turkey, and it shall be supported by directors, officers and outside consultants with the appropriate professional credentials and experience for this purpose. IAI's officers and staff will be available to Turkey's Ambassador in Washington and his staff as necessary both during and outside of working hours.

3. Such office shall maintain contact with officials of the Executive Branch, Members of Congress and congressional staff responsible for matters of importance to Turkey. It shall help inform the Embassy, in a timely manner, of political and news media developments in the United States affecting Turkey's interests, including such matters as military and economic assistance, NATO, and regional issues such as Cyprus and the Aegean. It shall provide to the responsible Executive Branch agencies and congressional offices the information concerning Turkey and Turkish positions that they need to discharge their duties responsibly and effectively.

4. Among other responsibilities, IAI shall:

a. Advise and assist the Embassy in dealing with pending legislation and other matters requiring immediate attention.

b. Prepare substantive analyses, reports and statements for use by the Embassy in the production of materials for the media and for any "information kits" about Turkey.

c. Support the Embassy's public relations program through contacts with commentators and other media personalities, business and community leaders, legislators and policy-makers.

d. Provide journalists and opinion-makers with timely and accurate briefings, fact-sheets, and analyses regarding matters affecting the U.S.-Turkish relationship.

5. Regarding longer-range interests, IAI shall:

a. Assist in developing special computer data bases.

b. Promote educational programs and international exchanges among individuals, enterprises and institutions.

c. Provide advice on encouraging U.S. tourism, investment, and commerce in Turkey.

COMPENSATION AND TERM

6. The Embassy shall compensate IAI by payment of the annual fee of 875,000.00 U.S. Dollars.

The annual fee covers the costs of establishing, organizing, staffing and operating the office (including: rent, salaries, and employee benefits, furniture and furnishings, office computer, communications, and other equipment, IAI's legal fees, insurance, and general operating expenses, including travel within the Washington, D.C. metropolitan area and the cost of sponsoring or attending routine local events such as receptions and briefings for journalists or officials). Costs relating to special projects (e.g., conferences or projects involving travel outside the Washington, D.C. metropolitan area) requested or approved by the Embassy, will be reimbursed to IAI separately.

7. IAI will carry out all its activities in the framework of this Agreement under the direction and supervision of the Embassy. The Embassy will also coordinate the activities of IAI with those of any other organization the Embassy has retained or may retain for similar purposes.

All special projects proposed by IAI shall be subject to written acceptance by the Embassy.

No amount will be paid for any proposed special project refused by the Embassy.

IAI, in expansion, acceptance of new elements, and the acquisition of new executives, will remain cognizant of the interests and concerns of the Republic of Turkey, thereby striving at all times to prevent any possible conflict of interest.

The Embassy of Turkey shall be the sole client of IAI.

8. The annual fee shall be paid quarterly in advance of the quarter, in four equal installments of 218,750.00 U.S. Dollars each. The first such installment shall be paid on the date of the signature of this Agreement, and the subsequent installments no later than at three-month intervals thereafter. IAI shall provide the Embassy monthly with an invoice of disbursements related to the cost of special projects authorized by the Embassy, which shall be paid within 60 days. All payments shall be made by wire transfer to such bank account in Washington, D.C. as IAI may from time to time designate in writing.

9. In view of the unique circumstance that a new organization is being created hereunder to provide service exclusively to the Embassy of Turkey and to no other client, the initial

term of this Agreement shall be two years, beginning on the date hereof. In the future, any formal renewal of this Agreement shall have a term not to exceed one year.

After the initial term, either Party may terminate this Agreement upon at least six weeks' advance written notice. If neither Party provides such notice at least six weeks before the end of any term, such term shall be extended for an additional three-month period. No indemnity or termination benefits will be payable to IAI upon the termination of this Agreement in accordance with its terms. The Embassy will pay only those amounts due and payable through the termination date.

GENERAL

10. IAI shall safeguard as confidential any economic, military, political or other information provided to it in confidence by the Embassy or Government of Turkey, and shall return any such information upon request of the Embassy or Government of Turkey and not retain a copy thereof in any form.

11. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and its terms cannot be modified, supplemented or waived except by written agreement of the Parties.

12. Neither Party may assign this Agreement in whole or in part without the other Party's prior written consent.

13. The laws of the Republic of Turkey shall govern in any interpretation or litigation concerning this Agreement.

14. Notice to a Party hereunder shall be deemed provided only upon delivery of a written instrument to such Party at the following address:

For the Embassy:

His Excellency, the Ambassador of Turkey
The Embassy of the Republic of Turkey
1606 23rd Street, N.W.
Washington, D.C.

For International Advisers, Inc.:

Douglas J. Feith, Esquire
International Advisers, Inc.
Suite 750-South
1800 M Street, N.W.
Washington, D.C. 20036

or such other address as the Party may designate in writing from time to time.

15. In the event any quarterly advance payment is not timely delivered or a payment of disbursements is not delivered within 60 days after invoice, IAI reserves the right to suspend its performance pending receipt thereof.

17. This Agreement may be signed in counterparts, in which case each counterpart shall be deemed an original and both together a single document effective as of the latter of the respective signature dates.

IN WITNESS WHEREOF, the Parties have set their hands and seals below as of the date first written above.

EMBASSY OF THE REPUBLIC OF TURKEY
in Washington, D.C.

By: 

Dr. Sukru Elekdag
Ambassador of the Republic of
Turkey

INTERNATIONAL ADVISERS, INC., a
District of Columbia corporation in
formation

By: 

Douglas J. Feith
President