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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 Bancroft Group, Limited Partnership 1110 Vermont Avenue, N.W., #1200, Washington, D.C. 20005		2. Registration No. Applied For 4326
3. Name of foreign principal Szalbad Demokraták Szövetsege	4. Principal address of foreign principal 1084 Budapest Deri Mikasu U.10.II.10 Hungary	

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 _____

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.

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

a) Principal address **1084 Budapest**
Deri Mikasu U.10.II.10
Hungary

b) Name and title of official with whom registrant deals. **Balint Magyar, member of**
Executive Committee

c) Principal aim
To participate in democratic elections in Hungary.

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.)

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

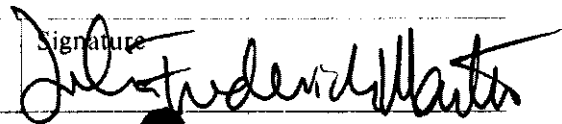
Date of Exhibit A

12/21/89

Name and Title

John Frederick Martin
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 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
The Bancroft Group	Szabad Demokratak Szovetsege (Alliance of Free Democrats) 4326

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

The foreign principal identified above is an organization involved in promoting democratic reforms in Hungary. In connection with its efforts, the registrant may provide the following services:

- Lobbying - representation of client interests before federal government, including the legislative and executive branches;
- Monitoring and analysis of public policy and political environment in the United States as it affects client interests;
- General political consulting services, including issue development and campaign strategies;
- Fundraising on behalf of the foreign principal.

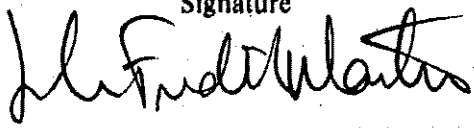
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See response to Question 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.

Registrant may produce proposed articles for publication in magazines and/or newspapers designed to promote support for the goals of the foreign principal in promoting democratic reforms in Hungary. Registrant may also meet with Members of Congress or the Executive Branch regarding these same goals.

Date of Exhibit B 12/21/89	Name and Title President John Frederick Martin The Bancroft Group, Limited Partnership	Signature 
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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.

SZABAD DEMOKRATÁK SZÖVETSÉGE

1084 Budapest, Déri Miksa u. 10. II. 10. · Telefon: 137-574

20th November 1989

Mr. J. Brian Atwood
President
National Democratic Institute
1717 Massachusetts Avenue, NW
Suite 805
Washington DC 20005

Dear Mr. Atwood:

This is to inform you that the Presidium of the Association of Free Democrats has authorized Mr. Fred Martin to act as our agent in Washington and the United States of America. He is empowered to negotiate and sign all contracts, request and accept funds authorized under a grant agreement.

The presidium may designate other persons at a later date, and we will so notify you. The governing presidium of the Association of Free Democrats assumes and accepts all responsibility for providing all necessary receipts and reports to NDI regarding the disposition of the funds.

Sincerely,



Tibor Vidos
executive director

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