

**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  |
|--------------------------|--|
| Graydon Associates, Inc. | Conseil pour le Developpement<br>Economique, Canton de Vaud, Switzerland |

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.

*Jan 95 - Dec 95*

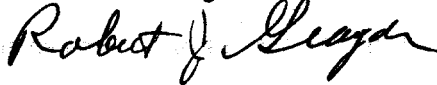
4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

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SECTION  
REGISTRATION UNIT

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

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.

| Date of Exhibit B | Name and Title                 | Signature   |
|-------------------|--------------------------------|---|
| 6/07/95           | Robert J. Graydon<br>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.

*File Name: DEV95C*

*Draft as discussed with PG on 16 Dec. 1994 at Geneva Airport  
and then modified to meet \$150,000 budget for 1995*

*Contractual Agreement*

*between*

*Conseil pour le Développement Economique  
Canton de Vaud - Suisse*

*and*

*Graydon Associates, Inc.*

*for*

*United States Marketing Program*

*Period of Contract: 1 January 1995 to 31 December 1995*

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## Executive Summary

This program is designed to attract certain types of U.S. manufacturing and service industries to the canton de Vaud. It is a continuation of the first two programs which ran from 1 July 1993 to 31 December 1994. All major aspects and tasks are the same but with a reduction in scale.

The program will focus on both securing direct 100% inward investments from U. S. companies themselves as well as collaborative activities between the U. S. companies and selected "partner" companies in the canton de Vaud.

The program will continue to use the research and marketing methods of Graydon Associates, Inc. (GAI).

The major instrument employed to seek out new prospects will be a continuation of the earlier successful direct mailing of Surveys. This is described in this document.

The active involvement of marketing staff from DEV will be required to make personal visits on those specific companies pre-qualified by GAI. These will be done in two separate ten day selling trips in the U.S. by DEV, one in the spring and one in the autumn.

In June 1995, there will be an assessment of the direction of the program with the possibility of modifying the marketing program in the U. S. for the rest of 1995.

There will be reviews of the progress of the program after each sales trip and in December 1995, a comprehensive Year End Performance Review by DEV and GAI.

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This document is divided into four major sections:

- I Summary of Major Program Items
- II Expected Results by 31 December 1995
- III Program Costs
- IV Mid-Year Assessment

## I - Summary of Major Program Items

1. Personal sales visits will be preceded with as much detailed pre-qualifying of prospective companies as practical. This is done with the realization that by following this procedure, some companies about whom we do not have explicit details of their European investment plans, might be overlooked and not visited personally.
2. Prime investment targets will be:
  - a. Medical/pharmaceutical/bio-engineering
  - b. Computer software of all types
  - c. Administrative headquarters, regional or European, for all types of production or service industries
  - d. Companies requiring extreme precision in their manufactured products
  - e. Selected companies in the environmental sectors
  - f. Telecommunications related companies
  - g. Advanced materials

*See Appendix A for specific industrial sectors.*

3. In addition to special purpose mailings (which may not always use Surveys) there will be extensive use of referrals and contacting of selected members of regional international private and public trade organizations in the U. S.
4. There will be follow up with the Swiss Consuls General in Chicago and New York for possible new leads. There may be personal contacts in the Swiss Embassy in Washington to encourage them to continue to refer inquiries to DEV/GAI. Additionally, there may be personal contact with the person appointed to the Swiss Desk in the U. S. Dept. of Commerce for possible leads.
5. The prime targets for inward activity will be those companies making their own "stand alone" investments or seeking "collaborations" with Swiss companies. As examples of "stand alone" investments, we have Sanchez, Bennett X-Ray, Falcon, etc. As examples of "collaboration" we have GE Americom and as an example of a hybrid, we have JJPI who may wish to do both.

Targets will also be companies who wish to set up their own sales offices in Switzerland (preferably to cover other countries as well). This is so because sales offices can lead to distribution and then to overhaul and repair, final assembly and test, and in some cases - manufacturing. An example of this is Panelgraphics.

6. There will continue to be active follow up on all present A and B class contacts from all previous sales trips to the U. S. by DEV.
7. Sales trips will be strictly limited to ten working days on the road and with a separate review immediately after. This review may be at GAI or DEV depending on circumstances.

## **Qualification of Prospective Companies**

This will be done with a combination of methods. In some cases the companies will be identified by "networking" of GAI. In other cases, we may use questionnaires or Surveys as in the past. The Surveys will be mailed to the CEOs personally. They will be sent from a senior official in the Canton de Vaud. This is not a selling letter. The **only purpose** is to secure the name of the officer in the company who will influence a decision as to which site in Europe to choose.

GAI will print the Surveys, write the copy for the letters, and print supplementary stationery as needed. Mass mailings will be done from New Jersey.

When the companies respond, GAI will then contact them to try to determine if a real project exists and the nature of it, i.e., manufacturing, administration, distribution, technical support, etc. GAI will also inquire as to the anticipated schedule for the project. With responses of several hundred, the number of companies of real interest could be 100 or more. These must be further qualified to yield a base for sales visits.

Based on GAI's specific information on each company, a sales trip for DEV personnel will then be scheduled.

### **Calendar of Events**

#### **1. First Sales Trip - Spring 1995**

This will be for no more than ten working days and no more than 20 companies will be visited. Some of these will be repeat visits from earlier trips. GAI personnel may join DEV for the first two days of this trip, if requested. The remainder of the trip will be by DEV personnel.

"Working days" mean days spent in visits to prospects. Review days are separate.

#### **2. Spring 1995 Review**

Each company visited will have had a Call Report prepared on them during the sales trip. Each Call Report will be analyzed, a classification of the company made with respect to the size of the project and its schedule, and follow-up action assigned to personnel of DEV and GAI. The Review will take about two days at GAI.

#### **3. Second Sales Trip - Autumn 1995**

This will be organized in the same way as the spring sales trip but GAI personnel will not accompany DEV.

#### **4. Year End (1995) Review**

We suggest that this debriefing might take place in Lausanne. There will have been enough sales calls and follow-up done by year end, 1995, that a meeting in Lausanne, with the full facilities of DEV at our disposal, could be more productive than having the review in Red Bank. Based on the forecasts for the following year, DEV and GAI can then develop the optimum program for the future.

## II Expected Results by 31 December 1995

### Results of Prospect Contacts

The total number of mailings for the first 30 months will be close to 10,000. Some companies will already have received our November 1993 mailing and not responded. We will re-contact them. We can therefore say that many of the 10,000 managers of our target companies will have received two personalized messages from DEV. These companies will form one of our bases for future contacts.

There will be about 40-60 Leads (using the GAI Definition of a Lead) by December 1995. Many of them will have visited Lausanne by then for further discussions of their projects. By 31 December 1995, DEV/GAI will be able to do a reasonably accurate forecast of projects from January 1996 and beyond.

### Continuous Growth of the Number of Prospects

By 31 December 1995, the program will have "in the bank" an increasing number of the names of those remaining qualified companies to follow-up who were not visited for reasons of scheduling, plus follow-up on those visited. There will be a constant growth in the number of companies "qualified" for first visits as well as companies that will need to be re-visited.

An ideal number of companies qualified from Surveys and networking for first visits, plus those needing repeat visits, is around 300 when "steady state" conditions are reached. This usually occurs after the program has been operating for about three years.. Companies are always dropping from the list as their plans change and companies are always added as new ones become "qualified." This list is a dynamic one, always changing.

### III Program Costs

It is difficult to predict exact amounts of expenses in any specific category. Portions of monies are often shifted from one group to another as the scope of some tasks becomes smaller and others increase. The grand total, though, will be observed.

These costs do not include travel or hotel expenses for GAI personnel in the U.S. when accompanying DEV personnel or for any other GAI travel in the U.S. or between the U.S. and Lausanne for periodic discussions. All of these travel/hotel expenses shall be for the separate account of DEV.

These costs do not include registration fees for special events or acquisition of certain materials or services that cannot be foreseen now. GAI will request prior consent from DEV before incurring any such ex-contract costs.

#### **Classifications of Costs:**

A detailed description of each category is given on the following pages.

Market Research  
Supplementary Materials  
Direct Marketing  
Communications  
    Telephone  
    Telefax  
    Couriers  
    Postage, etc  
Professional Fee

Total US\$150,000

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#### **Schedule of Payments**

Payments to be made from DEV to GAI on a monthly pro-rata division of total costs. Twelve monthly payments of US\$12,500 each.

Please transmit in US\$ by wire transfer to:

National Westminster Bank USA  
New York, NY  
For: National Westminster Bank NJ

Referred Credit:

Graydon Associates, Inc.  
Account Number: 304 2013624

Attention:

National Westminster Bank  
700 Branch Avenue  
Little Silver, NJ 07739



## **Details of Expense Groups**

### **Direct Marketing**

This class covers tasks necessary to produce and control those aspects of the direct mail program stated here. This includes acquisition of current lists of various sectors of industries. The total number could be about 4,000 companies with annual sales of over ten million dollars in the Midwest and Northeast states. Although we acquired a similar list about 18 months ago, the changing nature of the managers and the companies makes it necessary to update our lists by purchasing new ones. Some of these companies have been contacted before and have responded. They will be sent separate letters and/or Surveys.

The tasks also include re-formatting these lists as necessary to enter them into GAI computers since many titles will be truncated and must be expanded. There are always many typographical errors in the raw data which must be corrected. GAI must examine each record to make certain each piece of data is in the correct field. This is essential for optimum mailing results. This section also includes the establishment of a system of data base management to retrieve information on specific companies. GAI must constantly update information from original commercial sources as new data on companies is received through the Surveys.

This class of costs includes the type, layout and printing of letterheads and outgoing envelopes as well as the same tasks for Survey Forms. UBPL must be changed on all stationery to WTC.

GAI will also reprint the return envelopes which will be sent by the U.S. company directly to the Consulate of Switzerland in New York with the returned Survey from the company inside.

Includes word processor time and personnel for "typing" the customized letters and envelopes and time for collating, matching, proofing, and mailing of the pieces from Red Bank.

### **Communications (Postage and handling, exclusive of mass mailings)**

In the 12 month period GAI will send letters/brochures/video tapes, etc., to American companies with interests in Switzerland/canton de Vaud. These will be follow-up letters to U.S. companies visited as well as letters to some Survey respondents not yet visited. Often one firm will receive several letters during the year. These single mailings are not part of the direct mass mailing program above. These costs also include special courier services between GAI and DEV's prospects in the U.S. and courier shipments to DEV from GAI. Includes frequent overnight shipment of dossiers on specific companies to DEV selling personnel while on trips in the U.S.

### **Communications (Telephone and telefax)**

Includes multiple telephone calls in the U.S. to further qualify Survey respondents and to follow-up on sales action. Many frequent calls to DEV as well as calls to Europe to contact traveling U.S. prospects for DEV as well as management of European branches of U.S. companies with whom DEV is in contact.

**Market Research**

This covers the interrogating of various data bases to acquire additional information on selected prospects. Examples are: Nexis, Dialog, CompuServe, Dun and Bradstreet, etc. These bases provide both general background and the most current updates on companies.

**Supplementary Material**

It may be necessary to have some supplemental material in the mailing packages to lend credence to the message from canton de Vaud. This cost category covers designing, type setting and mechanical layouts and printing of these pieces. We refer only to simple inserts such as were used in 1993/94.

**Professional Fee**

This covers the professional management time of Senior Associates at GAI for planning, leading, organizing, and controlling the entire program as well as "hands-on" assistance with prospects from initial contact through to closing the sale.

## Mid-Year Assessment

Depending on the results of the first six months, there may or may not be a change in the nature of the U. S. marketing in the second six months of 1995.

GAI agrees to maintain the total invoiced costs at \$150,000 for 1995. Assuming a mid-year change occurs, the maintenance of the \$150,000 total is subject to the possible modification of GAI's involvement during the second half to keep the July-December invoiced costs at \$75,000.

GAI proposes that if a change in marketing methods is planned for July-December 1995, that an intensive review and planning meeting should be held in Lausanne in June to prepare the groundwork for a successful program in the latter half of 1995.

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Contractual terms agreed to by Conseil pour le Développement Economique  
and  
Graydon Associates, Inc.

For Conseil pour le Développement Economique

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Title

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Date

For Graydon Associates

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Title

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Date