

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 Policy Directions, Inc. 818 Connecticut Avenue, N.W., Third Floor, Washington, D.C. 20006 | 2. Registration No. 4989 |
| 3. Name of foreign principal LipoMatrix, Inc. | 4. Principal address of foreign principal 24, Puits Goudet CH 2000 Neuchatel, Switzerland |

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.

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

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

LipoMatrix develops medical devices to improve the health and well-being of people.

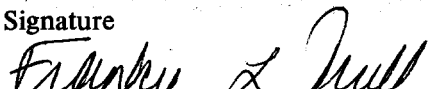
b) Is this foreign principal

- 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.)

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.

LipoMatrix is a privately held company.

| Date of Exhibit A | Name and Title | Signature |
|-------------------|-----------------------------|---|
| 1/31/95 | Frankie L. Trull, President |  |

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 |
|-------------------------|---------------------------|
| Policy Directions, Inc. | LipoMatrix, Inc. |

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.

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

To inform Members of Congress, their staff and Federal agency representatives of the medical device product development of LipoMatrix.

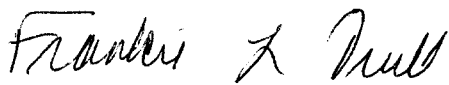
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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

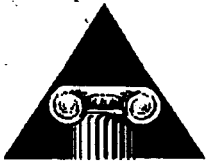
To meet with Congressional and federal agency representatives to apprise them of medical device development at LipoMatrix.

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.

| Date of Exhibit B | Name and Title | Signature |
|-------------------|-----------------------------|---|
| 1/31/95 | Frankie L. Trull, President |  |

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.



**POLICY
DIRECTIONS
INC.**

*Government Relations
for the 21st Century*

CONTRACT PROPOSAL BETWEEN

**Policy Directions, Inc.
and
LipoMatrix, Inc.**

LipoMatrix Contract # LMI 033

Policy Directions, Inc. (PDI) proposes to enter into a contract with LipoMatrix, Inc. (LipoMatrix) to provide government relations services.

Goal

To develop a presence with Members of Congress and their staffs and to familiarize them with the business interests and activities of LipoMatrix, and to develop working relationships with relevant federal agencies.

Rationale

It has been our experience that companies that expend the time and energy to educate relevant Members of Congress and appropriate members of relevant federal agencies about their products and their contributions to the marketplace will, subsequently, have natural allies during time of crisis or debate. This effort is time-consuming but reaps long-term benefits.

Strategy/Activities

PDI will fulfill the following activities:

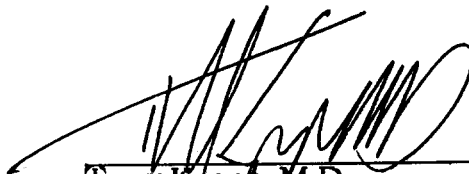
1. Monitor select legislative and regulatory activity affecting LipoMatrix's business;
2. Arrange appointments with appropriate federal agency attache and Members of Congress and staff for LipoMatrix principals. This would be an ongoing effort determined by LipoMatrix trips to Washington and the Congressional calendar;
3. Identify natural coalitions in Washington with whom the company might work due to common interests. This would primarily involve professional societies and voluntary health agencies;
4. Attend select Congressional hearings on behalf of LipoMatrix. If the situation presents itself, PDI would assist LipoMatrix in the development of testimony before Congressional committees;
5. Implement reporting mechanisms on Washington activities between PDI and LipoMatrix; and,

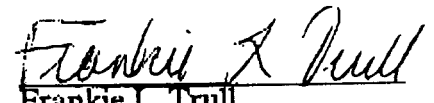
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6. Provide advice and counsel regarding strategies for Capitol Hill agencies.

PDI requests an annual retainer of \$24,000, or \$2,000 per month plus verifiable out-of-pocket expenses. This contract can be terminated with sixty days notice by either party. This contract becomes effective on February 1, 1995.


Terry Knapp, M.D.
President
LipoMatrix, Inc.


Frankie L. Trull
President
Policy Directions, Inc.