

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials 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 of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 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 John Anthony "Tony" Smith Schmeltzer, Aptaker & Shepard, P.C. 2600 Virginia Avenue, N.W., Suite 1000 Washington, D.C. 20037-1905		2. Registration No.  5304
3. Name of foreign principal A. Embassy of Honduras; B. Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir	4. Principal address of foreign principal A. 3007 Tilden Street, N.W. Washington, D.C. 20008	B. Villanueva, Cortes Honduras

5. Indicate whether your foreign principal is one of the following:

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 checked="" type="checkbox"/> Other (specify) <u>Commission</u>

Individual-State nationality \_\_\_\_\_

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

a) Branch or agency represented by the registrant. Embassy of Honduras

b) Name and title of official with whom registrant deals. J. Benjamin Zapata  
Charge d'Affaires

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

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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  
Commission - coordinate and administer export of textile, apparel, and garment quotas to U.S.

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal Yes  No

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 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 must be used.)

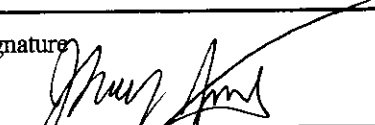
N/A

The Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir coordinates its activities and formulates its policy in collaboration with Honduran Foreign Ministry and the Embassy of Honduras in the United States.

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

The Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir is formed by members of the Honduran textile, apparel and garment industry in order to coordinate and administer issues relevant to this industry including exports to the United States. The President is Mr. Jesus Canahuati. The Secretary is Mr. Henry Franssen.

Date of Exhibit A February 26, 1999	Name and Title J. Anthony Smith Shareholder	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. One original and two legible photocopies of this form shall be filed for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant  J. Anthony "Tony" Smith	2. Registration No.  5304
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3. Name of Foreign Principal

A. Embassy of Honduras ;

B. Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir

Check Appropriate Boxes:

4.  The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5.  There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6.  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 expenses, if any, to be received.

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

To represent the Embassy of Honduras and the Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir in connection with various initiatives of the U.S. and the multinational financial community to assist Honduras and its business sector recover from the devastation of Hurricane Mitch and to obtain trade parity and opportunities in the U.S. markets for Honduran industry as part of the relief effort or an expanded Caribbean Basin Initiative before the U.S. Congress and Administration.

My services will be paid by the Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir, a commission that represents members of the Honduran textile, apparel and garment industry, but my work will be coordinated through the Embassy of Honduras.

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Formality of this document will be coordinated

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

Representation of the Embassy of Honduras and the Comision Nacional De Administracion de Cuotas Textiles y Prendas de Vestir before the U.S. Congress and Administration in connection with various initiatives of the U.S. and multinational financial community to assist its business sector in recovering from the devastation of Hurricane Mitch.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below?  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.

I will be working with and lobbying members of the Administration and Congress, as well as U.S.-based NGO's, that are involved with or work with the Republic of Honduras, in order to formulate policies in various sectors that ensure the reconstruction and recovery of the Honduran economy in the wake of the devastation wreaked by Hurricane Mitch. This includes the establishment of a framework to develop mutually beneficial relations between the U.S. and Honduras in the coming years. To achieve these purposes I will: hold meetings and discussions, send letters, lobby and disseminate accurate statistics and information to relevant persons and institutions. This may include working with the media and organizing fact-finding trips.

<p>Signature <i>J. Anthony Smith</i></p>	<p>Name and Title J. Anthony Smith Shareholder</p>	<p>Date of Exhibit B February 26, 1999</p>
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any 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 interests, policies, or relations of a government of a foreign country or a foreign political party.

**SCHMELTZER, APTAKER & SHEPARD, P.C.**

COUNSELORS AT LAW

THE WATERGATE

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WASHINGTON, D.C. 20037-1905

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FAX (202) 337-6065

(202) 333-8800

February 18, 1999

Mr. J. Benjamin Zapata  
Charge d'affaires, a.i.  
Embassy of Honduras  
3007 Tilden Street, N.W.  
Suite 4-M  
Washington, D.C. 20008

Mr. Jesús Canahuati, President  
Mr. Raja Rajan, Treasurer  
Comisión Nacional De Administración de Cuotas  
Textiles y Prendas de Vestir  
Villanueva, Cortes  
Honduras

Re: Engagement Letter

Dear Messrs. Zapata, Canahuati and Rajan:

The purpose of this letter is to confirm the terms and conditions under which our firm will undertake to represent the Embassy of Honduras and the Comisión Nacional De Administración de Cuotas Textiles y Prendas de Vestir (hereinafter referred to as "The Commission") in connection with the various initiatives of the United States and the multinational financial community to assist Honduras and its business sector recover from the devastation of Hurricane Mitch and to obtain trade parity and opportunities in the United States markets for Honduran industry, and specifically The Commission, as part of the relief effort or an expanded Caribbean Basin Initiative.

In order to enable us effectively to render these services, you have agreed to disclose fully and accurately all facts and keep us apprised of all developments

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SCHMELTZER, APTAKER & SHEPARD, P.C.

Mr. J. Benjamin Zapata

Mr. Jesús Canahuati

Mr. Raja Rajan

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relating to the matter. You have agreed otherwise to cooperate fully with us. We have not and cannot promise or guarantee any specific or general results to be accomplished by our representation, and nothing contained in this letter should be construed as such a promise or guarantee.

The period of representation shall be one year, unless terminated as provided. With a signed copy of this letter, please remit \$5,000 toward the payment of legal fees in this matter. This sum will be an advance payment on fees for the month of February. You will be billed monthly for the hours worked plus costs and expenses and you agree that on the first day of the next month, this firm will be paid the \$5,000 retainer, plus billed costs and expenses, if any, which will be accounted for and billed monthly except as provided. The firm agrees that the \$5,000 per month, plus costs and expenses, will be the maximum obligation for the period of this agreement. Our firm will promptly bill our time at the rates set forth herein, plus costs and expenses to the addressees above. The firm understands that it is representing the Embassy of Honduras and The Commission but that The Commission is providing the funding for the representation and agrees to pay \$5,000 per month, plus costs and expenses as set forth. If the firm bills less than the maximum amount for a month, you will only be required to pay for the amount of fees billed that month the next month; if the firm bills for more in a month you will be only obligated to pay the \$5,000 maximum; provided, however, that at the end of the period of the representation, if the actual fees billed exceed \$5,000 per month, you will only be obligated to pay the sum of the months worked times \$5,000, plus costs and expenses. If at the end of the representation, and the fees that have been billed are less than \$5,000 per month, then you will only be obligated to pay the actual fees billed, plus costs and expenses. It is agreed that the firm will not be responsible for any Honduran taxes and if the payment of Honduran taxes is required, the amounts will be increased so that the payment will be as set forth. The firm is responsible for any United States taxes.

Fees for services rendered will be based on the reasonable value of those services as determined in accordance with the American Bar Association and District of Columbia Rules of Professional Conduct. Such fees will be based primarily on our billing rates; there is a different billing rate for each attorney, depending generally on that attorney's experience and years of practice, and these rates are adjusted from time to time by the firm. Our rates currently range from \$80.00 an hour for junior

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SCHMELTZER, APTAKER & SHEPARD, P.C.

Mr. J. Benjamin Zapata

Mr. Jesús Canahuati

Mr. Raja Rajan

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associates to \$295.00 an hour for senior partners. Tony Smith has agreed for the period of this agreement he will reduce his hourly charge to \$200 per hour and two other attorneys who work with him, Suzanne Sanford and Mateo Paz-Soldan, will bill at a rate of \$170 per hour and \$100 per hour respectively.

The time for which a client will be charged will include, but will not be limited to, telephone and office conferences with a client, counsel, members of the Administration, the Congress and staffs; meetings with various officials of the Government of Honduras or other governmental leaders; meetings with members of the association, or officials of their companies; meetings with officials of the various multilateral financial organizations, NGO's, national associations; working with witnesses, consultants, and others; conferences among our legal personnel; factual investigation; legal research; responding to client's requests for us to provide information to their auditors in connection with reviews or audits of financial statements; drafting of correspondence and opinion letters, pleadings, briefs, white papers and other documents; travel time spent working on your matters; waiting time in hearings and meetings; and time spent in related proceedings.

In an effort to reduce legal fees, we often utilize paralegal personnel. Time devoted by paralegals to client matters is charged at special billing rates, which also are subject to adjustment from time to time by the firm. These rates currently range from \$40.00 to \$70.00 an hour. Other factors may be taken into consideration in determining our fees, including the responsibility assumed, the novelty and difficulty of the legal problem involved, the benefit resulting to the client and any unforeseen circumstances arising in the course of our representation.

In addition to our fees, we will be entitled to payment or reimbursement for costs and expenses incurred in performing services such as photocopying, messenger and delivery service, computerized research, travel (including mileage, parking, air fare, lodging, meals and ground transportation), long-distance telephone, telecopying, court costs and filing fees. Unless special arrangements are made at the



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Mr. Raja Rajan

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outset, fees and expenses of others (such as experts, investigators, witnesses, consultants and court reporters) will not be paid by us and will be the responsibility of, and billed directly to, the client. We understand that you have authority to sign this agreement on behalf of the Embassy of Honduras and The Commission and that the firm is representing the Embassy of Honduras and The Commission, but the responsibility for funding the effort shall be The Commission.

You may terminate this Agreement and our representation for any reason on 30 days' notice. We may also terminate this Agreement and our representation and may withdraw as your counsel if we become uncomfortable with the degree of cooperation we are receiving from you and your government, company or association or if you or your government, company, or association are not paying bills presented to you on a timely basis. In both cases termination will be effective 30 days after the date of a faxed notice of termination. In the event of any such termination or withdrawal you will remain responsible for all work done or expenses incurred by us on your behalf up to that point, and you agree to promptly pay us for same.

If the foregoing correctly reflects your understanding of the terms and conditions of our representation, please indicate your acceptance by executing this letter in the space provided below, retain a copy for your files, and return it to our office.

Handwritten signature and initials in the bottom right corner, appearing to be 'JP' and 'JBR'.



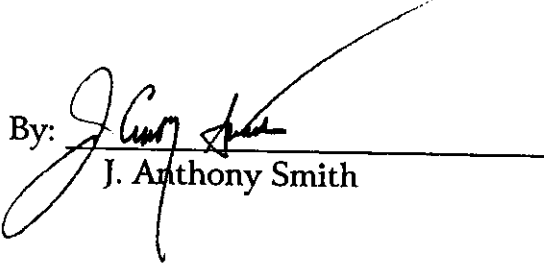
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Mr. J. Benjamin Zapata  
Mr. Jesús Canahuati  
Mr. Raja Rajan  
February 18, 1999  
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We are pleased to have this opportunity to be of service and to work with you.


Very truly yours,

SCHMELTZER, APTAKER & SHEPARD, P.C.

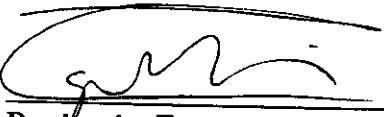
By:   
J. Anthony Smith

AGREED TO AND ACCEPTED:

By:

  
Henry Fransen, Secretary  
Comisión Nacional De Administración de Cuotas  
Textiles y Prendas de Vestir

By:

  
Benjamin Zapata  
Charge d'affaires, a.i.  
Embassy of Honduras

