

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
BSMG Worldwide	Kazakhstan 21st Century Foundation

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.

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

Provide advice and counsel relating to communications for the Foundation. Assist in organizing events, drafting and distributing information materials and conducting media relations in support of the Foundation's principal interests.

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MISS/REGISTRATION UNIT

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

Provide advice and counsel relating to communications for the Foundation. Assist in organizing events, drafting and distributing information materials and conducting media relations in support of the Foundation's principal interests.

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.

Various federal agencies and Congress could possibly take action on matters related to the principal's interests. Consequently, our activities would communicate their position regarding any such activities, and explain the possible impact any government decisions may have on the Foundation.

Date of Exhibit B	Name and Title	Signature
October 23, 1998	Lance Morgan President & Partner	

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.

BSMG WORLDWIDE
Communications Management

As of June 1, 1998

Dr. Philipp Habegger
Director
Kazakhstan 21st Century Foundation
c/o Walder Wyss & Partners
Munstergasse 2
P.O. Box 4081
CH - 8022 Zurich, Switzerland

Dear Dr. Habegger:

This letter, when signed by both the Kazakhstan 21st Century Foundation (hereinafter "you" or "your") and BSMG Worldwide, Inc. (hereinafter "we", "us" or "our"), shall constitute the agreement (the "Agreement") between you and us with regard to our appointment by you as a consultant for your communications work.

1. For our services and outlays on your behalf, you agree to pay us as follows:
- (a) A fee (the "Fee") of \$20,000 per month, for the months of June, July, August and September 1998. Services performed after September, 1998 will be billed on a mutually agreed upon basis, to be determined prior to commencement of any said services.
 - (b) In addition, you shall reimburse us for all standard, actual out-of-pocket expenditures, including travel, lodging, ground transportation, meals, telephone, postage and delivery services, faxing, photocopying, translation services, etc. made by us on your behalf, upon your receipt of itemization thereof. Budgets for any major expenditures (e.g. publications) shall be submitted to you in advance and subject to your approval.
2. Our invoices are payable upon receipt and are considered delinquent after thirty (30) days, at which time you agree to pay us simple interest computed at one and one-half (1 1/2%) percent over the prime rate of interest in effect at Citibank, N.A., in New York City, on the amount outstanding at the end of such 30-day period, until such payment is received. In the event of a disputed charge, you shall notify us in writing of the disputed amount and reason for the dispute, and you shall pay all undisputed amounts owed while the dispute is under negotiation.

3. The term of this Agreement shall commence as of June 1, 1998, and shall continue until notice of termination is given by either party. Any notice of termination by either party must be given in writing by registered or certified mail to the other party not less than thirty (30) days prior to the date of termination. Upon receipt of such notice of termination, we shall cease incurring costs on this project, except such costs that are necessary to close out this project. If this Agreement is terminated, you shall be obligated to reimburse us for actual costs and fees incurred through the effective date of termination, including all of our contractual, legal and other commitments to third parties for services and materials under this Agreement.
4. You agree to indemnify us and hold us harmless from and against any loss, damage or expense, including reasonable attorney fees and costs, sustained by us as a result of any claim or action brought against us which is based upon information, data or the materials supplied by you to us.
5. This Agreement shall be construed in accordance with the laws of the State of New York.

If the above meets with your approval, we would appreciate your so indicating by signing both enclosed originals of this letter where indicated. Please return one original to us and retain the other for your files.

Very truly yours,

BSMG Worldwide, Inc.

By _____
Ranny Cooper
Partner

Date _____

ACCEPTED AND AGREED:

Kazakhstan 21st Century Foundation

By _____
Dr. Philipp Habegger
Director

Date _____