

**JULES G. RADCLIFF, JR.**  
707 Wilshire Boulevard, 45th Floor  
Los Angeles, California 90017-3609

Telephone: (213) 614-1990  
Facsimile: (213) 489-9263

December 18, 2003

**VIA FEDERAL EXPRESS**

Hon. Ivan Zivkovic  
Minister Counselor, Deputy Chief  
of Mission  
Embassy of Serbia and Montenegro  
2134 Kalorama Road, NW  
Washington, D.C. 20008

Re: Proposal to Provide Services  
FIRST ADDENDUM

Dear Mr. Zivkovic:

Upon looking back over the formal proposal I submitted to you last week, I thought it would be helpful to clarify one very fundamental point: what it will take to bring one or more celebrities on board.

Let me begin by saying that I have a good reason to believe that one or more celebrities are, in fact, interested in becoming involved. I know this from many years of involvement in the entertainment community in Los Angeles, and in working with these people

2004 JAN 29 AM 10:51  
CRM/ISS/REGISTRATION UNIT

Hon. Ivan Zivkovic  
December 18, 2003  
Page 2

and creating opportunities for them to become involved in various political activities and other matters, including international social organizations. The interest is there.

The principal obstacle lies in finding an acceptable vehicle—in their eyes—for getting them started. These are people who, of course, make an entire career out of the careful cultivation and protection of their public image. They choose their roles and their involvement in projects with that as the uppermost concern in their minds.

This is what, in large measure, explains the part of my proposal regarding a law enforcement training and consultation function. Many of these entertainment celebrities will readily embrace an activity that has a law enforcement profile without needing much more in the way of persuasion or explanation. This is especially true when they have personal relationships with some of the people involved in the law enforcement activity, as would be the case in this particular instance.

My thinking is that an approval of the law enforcement function would become the immediate vehicle for bringing one or more major entertainment celebrities on board from the outset. Once they are comfortable in that role, the door will be open to other forms of involvement. It could be expected that they would accompany the assessment team on its visit to Serbia and Montenegro, and they would quite likely be willing to publicize the activities of that team both in your country and in the United States, subject, of course, to our own preferences and desires. Much of the business community that we would approach would be drawn into this initial round of activities and publicity.

There is one other point that needs to be clarified.

Specifically, the subject of the law enforcement training and consultation proposal relates to intelligence gathering and sharing, internationally, along with related forms of technology. I am quite well aware of the status of current law enforcement training in Serbia and Montenegro and would therefore avoid duplicating any of those efforts. If intelligence and technology subjects are unneeded as well, I would prefer that we look for a topic that will be better-received by your government, rather than simply dropping this particular part of the proposal. Again, with the law enforcement component in place, we will find it easier, and faster, in bringing the celebrities on board.

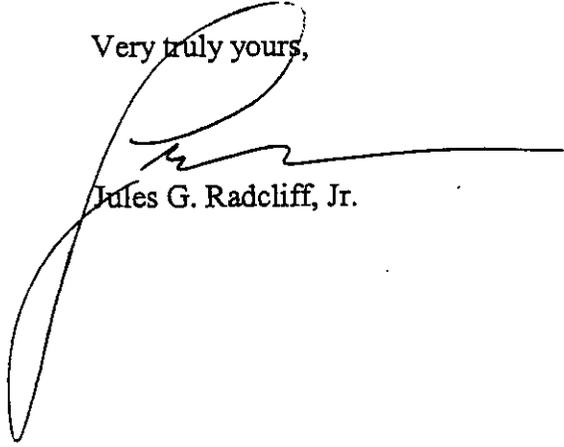
In any event, I am hopeful that this bit of elaboration and clarification is helpful to your own needs. I may be in Washington, D.C. in the next few weeks, as I am expecting that the medical problems that have restricted my travel will be a thing of the past, shortly. However, on the chance that you may need this additional insight before I am able to visit with you, I wanted to get this into your hands.

Hon. Ivan Zivkovic  
December 18, 2003  
Page 3

As always, I can be reached at (213) 614-1990, or through my e-mail at [jradcliff@radclifflawyers.com](mailto:jradcliff@radclifflawyers.com).

I am looking forward to working with you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jules G. Radcliff, Jr.', written over a horizontal line. The signature is stylized with a large loop on the left side.

Jules G. Radcliff, Jr.

JGR:lah

cc: Mr. Barry Zorthian  
Mr. Mark Squier  
Mr. Joe Trippi

2004 JAN 29 AM 10: 51  
CRM/ISS/REGISTRATION UNIT

**JULES G. RADCLIFF, JR.**  
707 Wilshire Boulevard, 45th Floor  
Los Angeles, California 90017-3609

Telephone: (213) 614-1990  
Facsimile: (213) 489-9263

December 10, 2003

2004 JAN 29 AM 10:51  
CRM/ISS/REGISTRATION UNIT

**VIA FEDERAL EXPRESS**

Hon. Ivan Zivkovic  
Minister Counselor, Deputy Chief  
of Mission  
Embassy of Serbia and Montenegro  
2134 Kalorama Road, NW  
Washington, D.C. 20008

Re: Proposal to Provide Services

Dear Mr. Zivkovic:

This letter follows up on your recent conversations with Mr. Barry Zorthian. It presents a formal proposal to provide services along the lines of that which Mr. Zorthian relayed to you on my behalf.

If this proposal is acceptable to your government, please so respond on your letterhead in accordance with the points raised in the final portion of this letter under the heading, "Action Needed To Begin," at page 10. If you want to discuss any part of it, or if you have any questions or comments at all, please feel free to call, at (213) 614-1990, or send an e-mail to [jradcliff@radclifflawyers.com](mailto:jradcliff@radclifflawyers.com).

## **BRIEF SUMMARY**

There are four major parts to this proposal: (1) entertainment community celebrities and movie industry interest in Serbia and Montenegro; (2) business investments; (3) assistance with U.S. funding sources, including federal agencies, state government international trade offices, sister-city arrangements, and private fundraising; and (4) access to law enforcement consultation and training, with an emphasis upon intelligence gathering and technology. The expected time frame for delivery is within six months.

The funding for this will come from funds currently held, as reported to the U.S. Department of Justice under 22 U.S.C. §§611, et seq., FARA registration no. 5259. If your government determines that the benefits delivered should be continued beyond six months, it is my judgment that the program can be made self-funding through U.S. sources, which, in fact, will be a principal goal in the first six months. The fee for this proposal will be \$25,000 per month, plus expenses.

## **PROPOSAL DETAILS**

In the past 15 to 20 years celebrities in the U.S. entertainment industry have played an increasingly active and high-profile role in political, social, and charitable causes both domestically and internationally. As any Member of the U.S. Congress can attest, their involvement with an issue or a cause gets the attention of lawmakers and other government officials. The media attention, alone, can open doors. Serbia and Montenegro should be able to benefit from this, as well.

Los Angeles, California, is the home of the U.S. entertainment industry, and is one of the most politically active communities in the United States, with political candidates for president, other federal offices, and many important state offices regularly seeking the financial and media support of entertainment celebrities. For over 30 years, I have been active in the interface between the Hollywood community and national political candidates, working with national campaign managers such as Joe Trippi in building support among major Hollywood stars and then using that support to do everything from raising money and getting favorable attention in the media, to building support in the business community. It works.

I have served as chairman of several presidential campaigns in California, including that of Congressman Dick Gephardt in 1988, and of numerous other political campaigns and social organizations, including national charities. Time and again it has been clear that the support of entertainment celebrities can be used to great advantage in addressing the less glamorous tasks of building a public relations campaign, projecting a sympathetic media image, drawing the business and investment communities into projects, and raising money for

many purposes. It should be possible to do this for Serbia and Montenegro, too, as there already exists a potential base of support upon which to build.

This proposal follows a well-worn path that has been followed by many organizations to success in their endeavors. The lead-off effort will be focused upon the entertainment community. In short order, the business community and investors can be drawn into the effort, attracted, in part, by media interest in Serbia and Montenegro. Almost as quickly, attention may then turn to developing ongoing funding sources within the U.S., ranging from federal agency support for specific projects to local government political and financial support through, among other things, sister-city arrangements. An integral part of the entire effort will be the involvement of a law enforcement training and consultation mission, where high-profile and well-connected law enforcement officials may also become involved with the program, giving credibility and substance to complement the celebrity-driven media profile. All of these are elaborated upon in the following pages.

## 1. ENTERTAINMENT INDUSTRY

There are several components to this part of the proposal, beginning with the understanding that there already exists in Hollywood a number of actors, directors, producers, screenwriters, and other behind-the-scenes people who have an interest in the Balkans, generally, and in Serbia and Montenegro, specifically, for reasons ranging from their status as immigrants from those areas, to personal opinions that if given a chance and if properly organized they might actually be in a position to help make a difference in the lives of people in the region. Many visited through the region in the 1970s and 1980s and came away with lasting, favorable impressions. Those on the business side of the industry have been attracted by the scenery as much as by the perceived economics of doing filming in the region.

One of the existing obstacles to entertainment community involvement to date has been the perceived inaccessibility and inhospitality of local governments. In other words, without an invitation and some kind of organizing catalyst, the people in the entertainment community by and large turn their attention to other things.

**FIRST STEP.** Immediately upon your government's approval of this proposal, **within the first three weeks**, I will take steps both to create the organizing catalyst and, at the same time, make clear that Serbia and Montenegro have in fact extended an invitation to the entertainment industry. I will immediately meet with producers, directors, cinematographers, screenwriters, and others whose involvement is important to putting a business foundation in place in order to take advantage of the media attention that will come with celebrity involvement. With their recommendations and input, and based upon my personal experiences, I will identify two or three entertainment celebrities and work with them in the same manner as I have worked

with such people in political campaigns in past years, giving a focus to their interests, and then working with them as they begin taking steps to demonstrate their interest in ways appropriate to them, such as by high-profile visits, or by acting as hosts of meetings among interested executives from the business side of the entertainment industry.

SECOND STEP. As key individuals are identified, it is important that they be given opportunities for immediate action to demonstrate their interest and commitment. I will work with you and your government in organizing visits and media events for entertainment celebrities as they tour Serbia and Montenegro, as but one example. It is also important that the business people in the entertainment industry also be given something to do very quickly, and similar such arrangements may be made, but with a different focus to their visits, among other things building peer-to-peer relationships with entertainment figures in Serbia and Montenegro.

Again taking a page from political campaigns, the key focus at the second step is translating interest to action. I will remain open to suggestions and requests from you and from your government, but otherwise will follow tried-and-true steps in building momentum with entertainment industry celebrities and business figures, including working with the personal assistants and political consultants retained by many celebrities to set up speaking engagements, to organizing events in the homes of celebrities to support Serbia and Montenegro awareness generally and, more specifically, such causes as business investment, and will begin focusing almost immediately upon such things as sister-city programs and, importantly, the key relationships between Los Angeles-based celebrities and a number of officials in the Los Angeles area law enforcement community. Both of these latter two points are discussed further in the third and fourth items of this proposal.

THIRD STEP. The third phase of the effort is the building of specific commitments and specific activities around the roles of entertainment celebrities. Among the high-priority items will be setting up an organization to foster and to support location filming in Serbia and Montenegro in conjunction with you and with others in your government. It may be possible to set up a film commission in Serbia and Montenegro, as well, with key U.S. entertainment industry producers, directors, screenwriters, and even celebrities on the board of such commission.

The third phase of this effort will also involve accelerating the media coverage of celebrity interest in Serbia and Montenegro and in related causes. Press conferences may be organized, and the entertainers themselves will often make their own arrangements to address such issues during the various media interviews they give on a regular basis. In the third phase of the effort it should also be possible to begin integrating the efforts of celebrities with the other parts of this proposal, such as by having entertainers attend city council meetings to support sister-city relationships with Serbia and Montenegro, or by publicly participating in some aspect

of the business program or even the law enforcement training program. The goal is to build media interest and favorable attention, while putting meaningful programs in place.

FOURTH STEP. Celebrity support is most meaningful when coupled with ongoing fundraising programs. Sister-city programs may often include some sort of financial support for the non-U.S. city. There are numerous religious and other organizations throughout the United States that would almost certainly participate in a fundraising program designed to benefit Serbia and Montenegro if properly organized, motivated, and given the right media attention because of celebrity support.

**Within six months** this part of the proposal should have yielded the high-profile support of a number of entertainment industry celebrities and business figures, whose role and involvement will have given momentum to the other parts of this proposal.

## 2. BUSINESS INVESTMENT

Your government is already familiar with the interest of the U.S. business, finance, and commercial communities in the region, generally, and in Serbia and Montenegro, specifically. Your experiences have been what they are. What is proposed here is something with a decidedly different approach.

The U.S. business and investment community carefully cultivates its own image, and often cultivates relationships with entertainment industry celebrities for the same image reasons. My plan is to focus very quickly and very specifically on a handful of key businesses and investors. They may be chosen to accompany entertainment celebrities on visits to Serbia and Montenegro, or they may be invited to the homes of the celebrities and entertainment executives to discuss the formation of vehicles to support Serbia and Montenegro, including sister-city relationships. While always being open to suggestions and requests by you and your government in this particular area, I am quite well aware of the range of interests of business and investment companies, the nature of their involvement in Serbia and Montenegro to date, as well as the nature and degree of their involvement in the region, generally. The point here is to create an organizing catalyst, to the longer-lasting benefit of Serbia and Montenegro.

FIRST STEP. I am reasonably confident of the identities of the first couple of entertainment celebrities and movie industry executives likely to become involved with this effort within the first month or two. I am also aware of the business and even political figures who would likely have an immediate interest because of entertainment industry involvement, in part because of longstanding relationships. Hence, the first step is to put specific names together, reflecting key business and political interests.

SECOND STEP. Next is the organizing step. Again following the same approach generally used in political campaigns, such business leaders would be invited to join the celebrity for a meeting, initially to compare notes, but also to begin the process of giving substance to an organizational effort. It may be appropriate for you or other representatives of your government also to attend these initial meetings, which we can discuss further.

THIRD STEP. In the U.S., as is perhaps true with all people everywhere, success attracts success. The business and investment executives would be given to understand at the outset that their initial involvement in working with the particular celebrity or entertainment industry figure would have more to do with the favorable publicity expected to be generated as sister-city resolutions are put forward, as social organization fundraising is put in place, and, where appropriate, as prominent figures from the law enforcement world are introduced to day-to-day working relationships with their peers in Serbia and Montenegro. In short, the business and investment people will know from the very outset that this is a different kind of organizational effort, one more similar to political-celebrity organizing vehicles than the more traditional, and usually less successful, business-booster activities.

FOURTH STEP. Highly publicized, celebrity-attended, and U.S. and local government agency-supported business trips to Serbia and Montenegro will then be organized and orchestrated. We can organize peer-to-peer gatherings and events in Serbia and Montenegro, but in the U.S. we will organize specific, ongoing vehicles for keeping the U.S. business and investment leaders informed, involved, and supportive of Serbia and Montenegro. Examples include a Hollywood-based series of meetings with celebrities leading the effort, a regularly-issued media advisory, and organized speaking engagements and other communications with business associations. As U.S.-based funding sources are developed, these business and investment community leaders will be invited to participate, lending their names and stature, building on the attention already given to such ventures as a result of the participation of entertainment celebrities.

**Within six months** Serbia and Montenegro should then have an organized, ongoing, and effective presence in the United States among the business and investment communities. The U.S. participants will initially be attracted as much by the opportunity to work with entertainment celebrities as by the business opportunities in Serbia and Montenegro. We will have created the organizing catalyst, and the business and investment participants will be counted upon for support of this and other ongoing activities to benefit Serbia and Montenegro into the future. A principal, immediate goal will be to facilitate at least one contract between, for example, a major U.S. retailer and a supplier in Serbia and Montenegro of a particular product or set of products, or other, similar, concrete and significant business transaction.

/

3. U.S. FUNDING SOURCES

Both you and your government are already familiar with funding sources from such agencies as USAID and the International Trade Administration, as but two examples. In fact, this proposal will facilitate and enhance funding available from such sources through a very targeted effort, but it will also focus upon other, less-utilized sources as well. The following is a very brief survey, organized around specific steps that would be taken to implement this part of the proposal, once approved.

FIRST STEP. The law enforcement training mission described in the next section of this letter will find its own funding. There is strong reason to believe that it will meet with success in that effort very early in the process, and for a number of reasons it is likely that such funding success will lead to other and better funding and funding relationships with U.S. agencies in the coming months and years for Serbia and Montenegro. The first phase of this particular part of the proposal, accordingly, will be to accelerate the traditional sources of U.S. agency funding, in part through entertainment celebrity support and **existing entertainment industry relationships with the law enforcement component**, getting this particular part of the effort off the ground very quickly.

SECOND STEP. There is strong reason to believe that at least one, and perhaps two, sister-city relationships may be established between the U.S. and Serbia and Montenegro **within six months**. While such designations often bring little more than attention and various cultural exchanges, the fact is that they can also bring ongoing fundraising and financial support.

Sister-city relationships are fundamentally the product of political support and media attention. **Within 60 days** of approval of this proposal, the political process will be launched. This will likely include the formation of a committee comprising at least one entertainment celebrity, business leaders, and law enforcement community leaders that will serve as the organizing catalyst in one or more U.S. cities in pursuit of a sister-city designation.

This is one area where entertainment industry support, particularly through celebrities, can jump-start this type of effort. Just as Members of the U.S. Congress know that celebrity involvement will open doors and help make things happen politically, so too do the members of various city councils. While budgets are tight in most municipal and state governments around the U.S., a municipal-affiliated, private fundraising effort would likely be welcomed and, in all probability, would find warm support in a sister-city relationship, particularly if the effort behind it is driven by a prominent entertainment industry celebrity or other figure.

/

/

As mentioned above in the discussion of entertainment industry support, because it is important to have something specific for the celebrity to help with at the outset, the reality of this proposal is that a sister-city relationship and related fundraising vehicle would become part of the initial dialogue with each entertainment industry figure. There is strong reason to believe that this particular part of the effort should be quite successful.

THIRD STEP. Additional fundraising and financial support avenues will be identified almost immediately, at the outset of the implementation of this proposal. I am aware of numerous cultural, charitable, and religious organizations throughout the United States that have an existing affinity with Serbia and Montenegro and that, properly motivated, and properly organized, would likely welcome the opportunity to become part of a larger, national effort directed at bringing attention, support, and other benefits to Serbia and Montenegro. These would be identified, made known to you, and would be pursued aggressively during the implementation of this proposal.

**Within six months** Serbia and Montenegro should have in place at least one, and possibly several, ongoing funding sources within U.S., providing funds for various activities, programs, and other efforts important to Serbia and Montenegro.

#### 4. LAW ENFORCEMENT TRAINING AND TECHNOLOGY

Just as entertainment celebrity involvement will bring media attention, a law enforcement component will bring credibility. The two are bookends to this proposal, each important to the accomplishment of the whole. The two are also related, in that the entertainment industry has, for many reasons, a longstanding and mutually-supportive relationship with law enforcement agencies and leaders throughout the United States, and particularly in Los Angeles. This is a fact that is well known to the business and political communities, and the presence of both will enhance the effectiveness and credibility of this entire effort.

There is a particular law enforcement training and consultation company contemplated by this proposal: InterLec, Inc. Its members are not only some of the most well-known and highly-regarded law enforcement figures in the United States, but many of them have longstanding and very close business and personal relationships with major Hollywood stars and highly influential figures on the business side of the entertainment industry. The involvement of InterLec will be beneficial to the involvement of celebrities, and the combined involvement of celebrities and law enforcement figures of the caliber of those associated with InterLec will be beneficial to the involvement of business and investment community leaders.

/

/

InterLec, Inc. itself provides both domestic and international law enforcement training and security consulting services, most recently being recommended by the Office of Los Angeles Mayor James Hahn to Bechtel as a proposed subcontractor for such services in Iraq. While training in basic law enforcement and officer survival skills is available to Serbia and Montenegro, for purposes of this proposal the training and consultation would revolve more heavily around (1) intelligence gathering and analytical methods, and (2) technology.

With respect to the **intelligence** training and consultation function, the focus would be upon combating organized crime, drugs and arms trafficking, money laundering, and international terrorism, and the state-of-the-art intelligence gathering techniques, data compilation, management and analysis, and reporting methodologies as are employed by key U.S. federal and state agencies. One of the principal benefits of this will be an enhancement of the law enforcement communications and cooperation expertise of Serbia and Montenegro's own law enforcement community internationally. The development of peer-to-peer relationships will also be emphasized.

With respect to **technology**, InterLec, Inc. will provide access, training, and recommendations regarding the latest in law enforcement technology in a number of areas that may be of interest to Serbia and Montenegro. Again, while the technology sources used in domestic U.S. training will also be available, such as non-lethal crowd control technology and officers' safety technology, Serbia and Montenegro may find it more beneficial if the focus is primarily upon the technology providers and related training used in the international law enforcement community in the efforts against organized crime, drugs and arms traffickers, money launderers, and organized terrorist groups.

**FIRST STEP.** The first step in implementing this part of the proposal will be to offer this activity to a specific entertainment celebrity as a project to be embraced, supported, and publicized as appropriate. There is strong reason to believe that such a relationship may be established very early.

**SECOND STEP.** An assessment and consultation team from InterLec, Inc. will immediately travel to Serbia and Montenegro for the purpose of conferring with local law enforcement personnel on how best to tailor the training and consultation program to best benefit the needs of Serbia and Montenegro. That team can be in Serbia and Montenegro **within 30 days** of the approval of this proposal.

**THIRD STEP.** From the outset, InterLec, Inc. will be responsible for obtaining its own funding, which, I am informed, it has reason to believe may be available through one or several U.S. federal agencies. One of the benefits of InterLec, Inc. is that its participants have longstanding, existing relationships with key decision makers. Any final funding commitment

Hon. Ivan Zivkovic  
December 10, 2003  
Page 10

will necessarily await the report of the assessment and consultation team, which should be completed within 45 days of the assessment meetings in Serbia and Montenegro.

FOURTH STEP. With entertainment celebrity interest and support, it is highly likely that something as significant, timely, and credible as a law enforcement training and consultation mission will itself serve as an additional catalyst to the organizing plans associated with efforts in the business and investment communities and, as well, in generating other U.S.-based funding support and sources. That would be explored very quickly, once again using the same approach that has been used time and again in past years in political, social, and charitable activities that I have been involved in, either as chairman or in some other capacity. In short, this function should be seen as an integral part of the larger proposal.

FIFTH STEP. InterLec, Inc. will field an appropriate number of trainers and consultants in furtherance of the program custom tailored during the assessment meetings in Serbia and Montenegro. That step may be implemented as early as **within 90 to 120 days** of the approval of this proposal. The U.S. media support and interest will also be stimulated.

SIXTH STEP. If it is of interest to Serbia and Montenegro, InterLec, Inc. may develop a longer-term relationship whereby a permanent training and consultation presence may be established in Serbia and Montenegro, servicing the law enforcement training and technology needs of the entire region. Presumably, this would be an activity jointly owned and operated by InterLec, Inc. and such individuals or entities resident in Serbia and Montenegro as your government may desire.

**Within six months** Serbia and Montenegro should have benefited from (1) international law enforcement intelligence and technology training and consultation, (2) access to U.S.-based funding and funding sources for this and related activities, and (3) the credibility and favorable media attention in the United States that would likely be generated by the additional participation and support of a recognized entertainment celebrity with existing ties to the law enforcement community, particularly in Los Angeles.

#### **ACTION NEEDED TO BEGIN**

The initial funding for this proposal is already available, as reported under U.S. Department of Justice FARA registration no. 5259, and such funds will be drawn down and applied from that account. The basic fee will be \$25,000 per month, payable and drawn from such account on the first of each month, plus expenses associated with implementing this proposal. Such expenses will be reported to you, in advance wherever possible, and will be paid out of the same account.

Hon. Ivan Zivkovic  
December 10, 2003  
Page 11

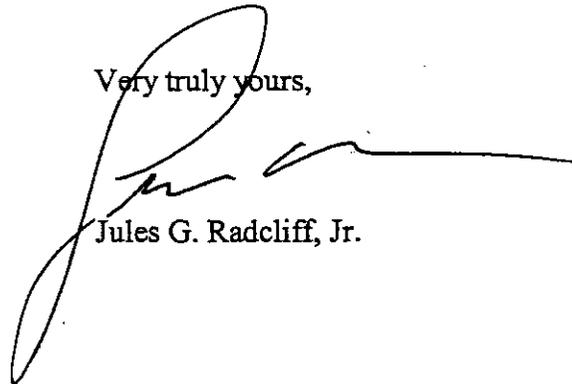
As you are no doubt familiar, under applicable U.S. law such activities and expenditures must be reported to the U.S. Department of Justice. Moreover, any disbursements from the currently-registered account must also be disclosed and reported. For that and other reasons, what is needed in order to begin the implementation of this proposal is (1) the approval of your government, formerly known as the Federal Republic of Yugoslavia, (2) referencing the content of this proposal or, alternatively, simply attaching a copy of this letter to such approval, (3) on the official letterhead of your government, and (4) stating that your government has approved and has authorized such actions. On my end, immediately upon receipt of such approval, I will form a new FARA registrant and conduct these matters through that new entity.

It will also be helpful, if not critical to the accomplishment of the goals of this proposal, to have at least one, and preferably two, specific individual contacts with your government with whom I may communicate frequently and authoritatively as this is implemented. I would presume that one such person will be yourself, certainly since one of the two contacts should be here in the United States and accessible to those individuals who will participate in this program.

On a final note, I am looking forward to providing these services to your government. I recognize that there are aspects to this proposal that are probably quite different from any other proposal you may have received to date from other U.S.-based interests, but I am confident that you will begin seeing significant results--and significant benefits, through the media and otherwise--within the first three to six months.

I will look forward to hearing from you.

Very truly yours,



Jules G. Radcliff, Jr.

2004 JAN 29 AM 10:52  
CRM/ISS/REGISTRATION UNIT

JGR:lah

cc: (Via Fed. Express)  
Mr. Barry Zorthian  
Mr. Mark Squier  
Mr. Joe Trippi

# RADCLIFF DONGELL LAWRENCE LLP

## LAWYERS

### SACRAMENTO

SUITE 900  
400 CAPITOL MALL  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 449-3956  
FACSIMILE (916) 444-0270

### SAN FRANCISCO

SUITE 1500  
50 CALIFORNIA STREET  
SAN FRANCISCO, CALIFORNIA 94111  
TELEPHONE (415) 399-8393  
FACSIMILE (415) 439-5299

FORTY-FIFTH FLOOR  
707 WILSHIRE BOULEVARD  
LOS ANGELES, CALIFORNIA 90017-3609  
TELEPHONE (213) 614-1990  
FACSIMILE (213) 489-9263

### WASHINGTON, D.C.

SUITE 350  
1029 NORTH ROYAL STREET  
ALEXANDRIA, VIRGINIA 22314  
TELEPHONE (703) 519-8004  
FACSIMILE (703) 519-8604

ROME  
OF COUNSEL  
PETTINARI, RIDOLFI & OLIVA  
47, VIA BARBERINI  
00187 ROMA, ITALIA  
TELEPHONE (39) 06-42741613  
FACSIMILE (39) 06-42814339

GREECE  
OF COUNSEL  
THEODORE M. EXADAKTYLOS  
11, ODYSSEOS STR., VOULA  
3RD FLOOR  
166 73 ATHENS, GREECE  
TELEPHONE (30) 10-8954517  
FACSIMILE (30) 10-8954517

November 4, 2003

### VIA TELECOPIER ONLY

(703) 243-2874

Mr. Barry Zorthian  
Alcalde & Fay  
2111 Wilson Blvd., Ste. 850  
Arlington, Virginia 22201

Re: Yugoslavia/Serbia

Dear Barry:

I am about to submit a formal and detailed proposal, but I wanted to put matters in context first, given the dialogue and relationship you seem to have put into place with these people. I have been poring over drafts, somewhat uncertain of exactly how specific I should be, or of how specific I can be. So, this is background information for your benefit.

To begin with, I have numerous relationships with business and government figures who are quite active and deeply involved in that part of the world, generally, and in what is now the Republic of Serbia, specifically. Through those relationships it is my understanding that one of the principal reasons for the lack of direction from the people on the ground there in Washington, D.C., is, as you now know, the very fractured and contentious nature of the government itself in Serbia. Interestingly enough, the business community in Serbia is vastly more organized, focused, and determined to see things moving forward. That is among the main points I wanted to share with you for purposes of your discussions, and it is the substantive reasoning what will underlie the detailed proposal that I will be making.

/

2004 JAN 29 AM 10:52  
CRM/ISS/REGISTRATION UNIT

Mr. Barry Zorthian  
November 4, 2003  
Page 2

From what I am informed, there is evidently a significant difference of opinion between the senior government people, on the one hand, and the senior and quite powerful business people, on the other, in Serbia, when it comes to the relationship between that country and this. In my own words, I boil the difference down to a matter of pragmatism. The business leaders are much more widely-traveled and, in that sense, more sophisticated as to understanding the way things are done in the privatized world than can be said of most of the senior government people. Yet, the senior government people have a tendency to be a bit hesitant when it comes to making decisions that either are not supported by the business leaders or, more importantly, are dismissed by them as nonsensical. Add to this the fractious relationships and jockeying among the government types, and we have the witches' brew that has, among other things, kept this project sitting for so long.

The proposal I will be submitting is intended to appeal more directly to the influential business leaders than to the government types, although it will be cast in terms the government types will understand and recognize. It is important that you have a handle on this, as I am confident you will be discussing all of this with the embassy people there in Washington, D.C. not long after they see the proposal.

If I were to pick a single point where the government types and the senior business types concur, it has to do with money. The business types are looking for the predictable: they want U.S. dollars for investments, without giving up control; they are looking for U.S. markets for their products; and while they do not understand the politics of U.S. trade practices and rules, they are prepared to believe that in some manner Washington and New York must at least acquiesce if the conditions for such trade-related investment and other activities are to be created on a sustained and meaningful basis. On the government side, in part because they are less-traveled or commercially sophisticated, they tend to see the matter of money as having more to do with such sources as the U.S.A.I.D. and the arcane processes by which projects are green-lighted and funded by that agency and others. As you and I know, there is actually a fairly significant connection between the two.

One other point, oddly enough, has to do with the world of entertainment and celebrities. Even under the old government I cannot tell you how many times I was pressured, cajoled, and encouraged to find ways to develop contacts between that country and the U.S. entertainment community. Some of it was quite understandable; some of it, however, was the product of a quite sophisticated worldview and, more importantly, their point was very well taken. Interestingly enough, there is a Yugoslavian émigré-community in Hollywood that can easily be tapped into, and although they tend to be more in the background than otherwise, they are in fact in a position to help. As but one example, the man who runs and principally owns Dan Tana's Restaurant on the edge of Beverly Hills was a national soccer star in Yugoslavia many years ago, and his restaurant is a very clubby gathering place for some of the most

Mr. Barry Zorthian  
November 4, 2003  
Page 3

powerful, best known, and best connected stars in Hollywood. He and I have talked a number of times over the years and, although I have never pursued it, my impression is that he would be distinctly flattered, not to mention quite helpful, if called upon to help organize a support base among the entertainment community. He is but one example.

One other important piece of background will be helpful to your further discussions with them: my relationships with a number of U.S. and international agencies and organizations in various projects outside of the United States, specifically including Central and Eastern Europe and adjacent regions. These relationships go back a number of years, and a good part of this was known to the old government, which helps explain one of my roles in all of this. As you may recall, immediately upon the cease-fire I was on the ground in Bosnia and was quite active in working with various U.N., E.U., and U.S. agencies and funding sources in assisting primarily U.S.-based businesses intent on getting a toehold in the energy, transportation, and finance sectors. All of those relationships have continued and have expanded into other areas, now including international law enforcement training and security consulting as well as infrastructure projects such as sanitation and water purification, the latter funded in part through the private sector and in part through such sources as U.S.A.I.D.

I have been back in Los Angeles approximately three weeks, and it has taken this long to revisit many of the individuals and other relationships in the foregoing areas in order to determine, realistically, how much we could draw upon them for assistance in the matters involving Serbia. I always prefer to under-promise and over-deliver and this situation is no exception. One of the problems I immediately confront is exactly how much, or whether, to get into in the way of supporting detail regarding all of the foregoing. Ideally, these subjects are best covered in a face-to-face meeting, which is how I would vastly prefer to handle such matters. My principal problem at the moment is that I am still unable to fly due to my lingering health problems, specifically having to do with the chronic swelling of my leg. While that condition is now well under control and rapidly being reversed, which means I should be able to resume flying in the very near future, it remains a significant impediment at the moment. Hence, one of the reasons for sharing all of the matters in this letter with you, leaving it in your discretion to determine how best, or whether, to get into any of this with the people at the embassy.

On a final point, what I expect will happen if the current Serbian government gives us the green light is that the interests of the Serbian business community will very quickly come to dominate the entirety of the relationship. I can put together significant investment funds here in the United States to support various projects in Serbia and that region; I can organize a relatively high-profile base in the entertainment community with related visits and even production schedules in Serbia; and I can probably be quite helpful in steering U.S. agency-funded or supported infrastructure and other projects into Serbia; but we will need almost a daily interface with key people there in the Congress, the Administration, and a number of the various

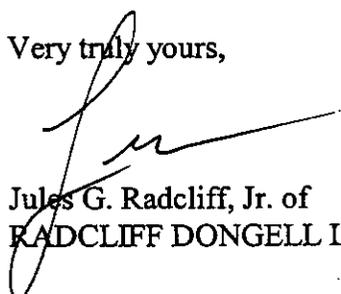
Mr. Barry Zorthian  
November 4, 2003  
Page 4

agencies involved. Joe Trippi is bogged down with the Howard Dean campaign and Mark Squier is not much better off in terms of demands on his own time, which is a situation that will likely not change for either of the two of them until we get past the primaries in 2004. While their continued involvement will likely have significant marquee value in the eyes of the Serb government, the reality is that any go-forward project will find support only in you and Skip, on your end; and me, on this end, for at least the next six to eight months. If and when Trippi and Squier return to the fold, so to speak, they may well be of assistance with various Democratic officials, of course, but between you and me I think their practical value will probably have much more to do with the media and public image buildup. I do not know where the interests of Alcalde & Fay and those of Trippi and Squier begin to intersect, but I would suggest we leave such matters for resolution as we get downstream.

I hope you find this helpful, and I am hopeful that, if nothing else, it will help the two of us get this project at long last off the ground. We can do a lot of good for these people, and a lot of good for our own business and political communities here in this country. This may well turn out to be the best time and the best opportunity to get things off the dime.

I will be in touch, shortly.

Very truly yours,



Jules G. Radcliff, Jr. of  
RADCLIFF DONGELL LAWRENCE LLP

JGR:lah

2004 JAN 29 AM 10:52  
CRM/ISS/REGISTRATION UNIT