

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 Saunders and Company 1015 Duke street Alexandria, VA 22314	2. Registration No. 3440
3. Name of foreign principal Seiko Epson Corporation	4. Principal address of foreign principal 3-5 Owa, 3-chome, Suwa-shi Nagano-ken, 392, JAPAN

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
 - Corporation
 - Association
 - Committee
 - Voluntary group
 - 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.

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

Electronics equipment, computer, and time-piece manufacturing.

68
JUN 14 11:17
U.S. DEPARTMENT OF JUSTICE

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.

Closely held stock corporation.

Date of Exhibit A

Name and Title
Steven R. Saunders
Managing Director

Signature

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
Saunders and Company (3440)	Seiko Epson Corporation

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.

See Attached Contract

RECEIVED
JUN 14 10:18
DEPT. OF JUSTICE

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

See Attached Contract

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

June 5, 1989

Name and Title

Steven R. Saunders
Managing Director

Signature



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.

CONTRACT

SEIKO EPSON CORPORATION, 3-5 Owa 3-chome, Suwa-shi, Nagano-ken, 392 Japan (hereinafter referred to as "Seiko Epson") and Saunders & Company, 1015 Duke Street, Alexandria, VA 22314, U.S.A., (hereinafter referred to as "Saunders") have agreed as follows:

- (1) Saunders shall provide monitoring, reporting, analytical and representational services to Seiko Epson, covering policy, legislative, and political developments in the United States as they affect Seiko Epson and on such other matters, including public relations, on which Seiko Epson may request advice and counsel.
- (2) Saunders shall provide Seiko Epson with written reports and personal consultations at such intervals as Seiko Epson shall specify. It is mutually understood that fulfillment of this agreement may include activities which require registration by Saunders with the U.S. Justice Department and other government agencies and that this agreement will be filed as part of any such registration as required.
- (3) Saunders shall provide Seiko Epson with these services for the period from December 1, 1988 to November 30, 1991.
- (4) During the first year of this agreement, Seiko Epson agrees to pay a retainer to Saunders of US\$10,000 per month plus reimbursement for reasonable expenses, due and payable in advance on or before the first day of every month upon timely presentation of an invoice. Prior to commencement of the second and third years of this agreement, the amount of the monthly retainer will be increased following consultation between Seiko Epson and Saunders, but it is mutually understood that the monthly retainer will be increased at least by the annual rate of inflation as measured by the Consumer Price Index (CPI) published by the U.S. Bureau of Labor Statistics or its successor agency. Compensation for special projects beyond the retainer will be billed at hourly rates or on a fixed fee basis, to be agreed in advance of any special project by Seiko Epson and Saunders.
- (5) A standard administrative fee, equal to 10% of expense billed, will be added to each invoice to cover non-itemized expenses, including domestic telephone, supplies, incidental photocopying, and processing of itemized expenditures made on behalf of Seiko Epson.

Exhibit
C

JUL 14 1988
RECEIVED

In witness of the above agreement, Steven R. Saunders, Managing Director, and Proprietor of Saunders & Company and Kazuo Fudeuchi, Managing Director, Seiko Epson Corporation, have signed hereunder.



Kazuo Fudeuchi
Managing Director
for Seiko Epson Corporation



Steven R. Saunders
Managing Director
for Saunders & Company

Dated December 1, 1988