

CONTRACT

SEIKO EPSON CORPORATION, 3-3-5, Owa, Suwa-shi, Nagano-ken, 392 JAPAN (hereinafter referred to as "Seiko Epson") and Saunders & Company, 1015 Duke Street, Alexandria, VA 22314, USA (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 April 1, 2003 to March 31, 2006. Either party may cancel this agreement at its discretion, without penalty, upon giving 90 days notice to the other party. This agreement replaces and supersedes any previous agreements.
- (4) During the first year of this agreement, Seiko Epson agrees to pay a retainer to Saunders of US\$7492.16 per month plus reimbursement for reasonable expenses, due and payable in advance or before the first day of every month upon timely presentation of an invoice. Prior to the commencement of the second and third years of this agreement, the amount of the monthly retainer may 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 fixed fee basis, to be agreed in advance and any special projects by Seiko Epson and Saunders.
- (5) A standard administrative fee, equal to 12% 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. In addition, the invoice will include the Alexandria city business gross receipts tax of 0.0035% (thirty-five one hundredths of one percent) on fee and expenses.

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In witness of the above agreement, Steven R. Saunders, President and Proprietor of Saunders & Company, and Kenji Kubota (Name), Director (Title), Seiko Epson Corporation, have signed hereunder.

Kenji Kubota

Steven R. Saunders

Kenji Kubota (Name)
Director (Title)
for Seiko Epson Corporation

Steven R. Saunders
President
for Saunders & Company

Dated 31, March/2003