

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 .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, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 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 David Safavian 1735 New York Avenue, N.W., Suite 500 Washington, D.C. 20006	2. Registration No. 3567
3. Name of foreign principal The Republic of Montenegro	4. Principal address of foreign principal The Prime Minister of the Republic of Montenegro; Office of the Prime Minister; Padgorica, Montenegro

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.
Office of the Prime Minister of The Republic of Montenegro
- b) Name and title of official with whom registrant deals.
Milo Djukanovic
Prime Minister, Republic of Montenegro

7. If the foreign principal is a foreign political party, state: N/A

- 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, N/A

a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

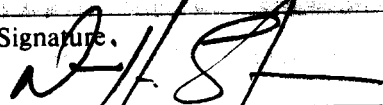
- Owned by a foreign government, foreign political party, or other foreign principal Yes No
- Directed by a foreign government, foreign political party, or other foreign principal..... Yes No
- Controlled by a foreign government, foreign political party, or other foreign principal Yes No
- Financed by 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.)

N/A

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

Date of Exhibit A 8/1/95	Name and Title David Safavian, Associate	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. 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.

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Name of Registrant	Name of Foreign Principal
David Safavian	The Republic of Montenegro

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.

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4. Describe fully the nature and method of performance of the above indicated agreement or understanding.
Contact members of Congress and representatives of the Executive Branch directly, as well as in written and telephonic communications. The objectives of this engagement are to assist the Republic of Montenegro to have certain assets, currently "frozen" as a result of U.S. and United Nations sanctions, "unfrozen." Additionally, we will assist in the sale of vessels detained under U.N. sanctions.


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

Contact members of Congress and representatives of the Executive Branch directly, as well as in written and telephonic communications. Specifically, the objectives of this engagement are to assist the Republic of Montenegro to have certain assets, currently "frozen" as a result of U.S. and United Nations sanctions, "unfrozen." Additionally, we will assist in the sale of vessels detained under U.N. sanctions.

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.

Release of assets of the Republic of Montenegro currently "frozen" under U.S. and U.N. sanctions. Also engaged to assist in the sale of vessels detained under U.N. sanctions.

Date of Exhibit B	Name and Title	Signature
8/1/95	David Safavian, Associate	

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.

Cadwalader, Wickersham & Taft

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Washington, D.C. 20036

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440 ROYAL PALM WAY
PALM BEACH, FLA 33480
TEL: (407) 655-9500
FAX: (407) 655-9508

June 19, 1995

The Honourable Milo Djukanovic
The Prime Minister of Montenegro
The Republic of Montenegro

Dear Mr. Prime Minister,

In response to the request made on your behalf, we are pleased to present to you this retainer letter-agreement to provide professional services.

In light of the licence issued to us by the U.S. Department of the Treasury, our services initially must be limited to the following:

1. To assist and advise your Government with regard to all assets belonging to Montenegrin entities which have been "frozen".
2. To assist and advise your shipping companies to secure the release from arrest, and ultimately the sale of, vessels currently being detained. This would include securing all governmental licences, drafting all documents, and otherwise providing all legal services required for the sale.

As sanctions are lifted, the scope of our services will be expanded to cover your Government's other needs in Washington, D.C., including, but not limited to (i) project financing from multilateral financing agencies and U.S. resources such as the Export Import Bank of the United States; and (ii) general representation before the legislative and executive branches of the U.S. Government.

Cadwalader will be assisted with regard to the legislative aspects of this assignment by Mr. Jack Abramoff of the firm Preston Gates Ellis & Rouvelas Meeds.

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The Honourable Milo Djukanovic

-2-

June 19, 1995

As compensation for services provided, we will be paid the following :

(i) An advance retainer of fifty thousand dollars (\$50,000) to be held by us (on an unsegregated, non-interest bearing basis) and to be applied to final invoices. This retainer is payable upon execution of this Agreement.

(ii) Twenty-five thousand dollars (\$25,000) fee per month (the "Monthly Minimum Fee"). Said Monthly Minimum Fee will be applied against hourly fees as per paragraph (iii) below and will be in addition to disbursements as per paragraph (iv) below; provided, however, that, exclusive of disbursements to be paid as per paragraph (iv) below, said Minimum Monthly Fee shall be limited to twenty five thousand dollars (\$25,000) per month except as otherwise approved by the Government.

(iii) Cadwalader's fees on a time basis will be calculated as follows: Julius Kaplan's current billing rate is \$370 per hour. The current rates for partners in Cadwalader's Washington, D.C. office range from \$285 to \$440 per hour, for counsel from \$285 to \$370 per hour, for associates from \$134 to \$300 per hour, and for paralegals from \$85 to \$140 per hour. Cadwalader may adjust these rates from time to time, usually once a year.

(iv) In addition to the fees provided for above, your Government would pay to reimburse Cadwalader for costs and expenses incurred in performing services, such as photocopying, messenger and delivery services, computerized research, travel on a first-class basis (including mileage, parking, airfare, lodging, meals and ground transportation), long distance telephone, telecopying, word processing, secretarial services, court costs (if applicable) and filing fees (if applicable). Certain of said items may be charged at more than Cadwalader's direct costs in order to cover overhead. Disbursements would also include the services of Mr. Jack Abramoff. Mr. Abramoff will charge on a time basis at \$275 per hour and be reimbursed costs and expenses on the same basis as Cadwalader as per this paragraph. Mr Abramoff's charges are not included in the Minimum Monthly Fee set forth in paragraph (ii) above.

This Agreement is subject to the following Additional Terms :

(i) This Agreement shall be subject to the laws of the District of Columbia.

MA

JK

The Honourable Milo Djukanovic

-3-

June 19, 1995

(ii) Any dispute arising hereunder, or related hereto, shall be resolved through arbitration in Washington, D.C. under the Commercial Rules of the American Arbitration Association.

(iii) Your Government agrees expressly to waive any sovereign immunity it may have as regards jurisdiction or execution of any arbitral award or judgement.

(iv) This retainer may be terminated by your Government upon giving us forty-five (45) days written notice in advance.

If the terms and conditions set forth herein are acceptable to you, please so indicate by signing in the place indicated below.

We look forward to the honor and privilege of providing services to the Republic of Montenegro.

Very truly yours,
CADWALADER, WICKERSHAM & TAFT

By Julius Kaplan
Julius Kaplan

APPROVE:
THE REPUBLIC OF MONTENEGRO

By M. Anderson
Prime Minister

PRESTON GATES ELLIS & ROUVELAS MEEDS

ATTORNEYS AT LAW

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KATHERINE PALMER *

JACK ABRAMOFF
WERNER BRANDT
Government Affairs Counselors

SOL MOSHER
Senior Advisor
on Federal Affairs
and International Trade

* Admitted only in jurisdictions
other than the District of Columbia

Via Telefacsimile

July 27, 1995

Julius Kaplan, Esq.
Cadwalader, Wickersham & Taft
1333 New Hampshire Avenue, N.W.
Washington, D.C. 20036

Dear Jay:

Thank you very much for your interest in retaining me to assist Cadwalader, Wickersham & Taft ("Cadwalader") in its representation of the Republic of Montenegro (the "Republic"). I look forward to working with you. This letter will confirm the terms of our agreement.

As we have discussed, I will assist you in pursuing the public policy goals of the Republic in Washington, D.C. I will look to you for our direction on policy issues. However, like Cadwalader, I am limited by Treasury regulations concerning the former Yugoslavia. Because the representation will entail some work that is considered lobbying for federal lobbying registration purposes, I will file the appropriate registration forms under the *Foreign Agents Registration Act of 1938*.

We have discussed fees and agreed that I would perform this work for \$275 per hour, plus reasonable expenses. I will bill you on a monthly basis which, in turn, will be submitted to the Republic for payment. I recognize that you cannot guarantee payment by the Republic, but you will use your good offices to get us paid when your firm is paid.

As you know, I am affiliated with the law firm of Preston Gates Ellis & Rouvelas Meeds in the District of Columbia. Because my efforts on behalf of Montenegro will be undertaken in conjunction with Preston Gates, I have taken steps to ensure that, at this date, there are no conflicts of interest between Montenegro and Preston Gates' existing client base.

You should know that neither Preston Gates, nor its affiliates would represent any other client in the future in connection with any of the specific matters relating to the Republic, if that other client's interest in those matters was adverse to yours. It is possible,

A PARTNER IN PRESTON GATES & ELLIS

ANCHORAGE, AK
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(206) 623-7580

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TACOMA, WA
(206) 272-1500


Julius Kaplan, Esq.
July 27, 1995
Page 2

however, that existing or new clients may in the future seek Preston Gates' services as counsel in connection with matters which are not substantially related to our work for the Republic, and in which the interests of those clients may be adverse to the Republic. It must be clearly understood, however, that I cannot undertake to represent Montenegro without assurance that the Republic will not seek, on the basis of that representation, to disqualify Preston Gates from representing other clients in any matter that is not substantially related to my work for the Republic and you will seek to have the Republic provide those assurances. The prospective consent to potentially conflicting representation contained in the preceding sentence shall not apply in any instance where as the result of our representation of the Republic we have obtained sensitive, proprietary or otherwise confidential information that, if known to any other client of ours, could be used in another such matter by that client to its material disadvantage.

Because circumstances change, Preston Gates and I, as well as Cadwalader, must be continually alert to the development of any conflicts. Please contact me immediately if you become aware of a conflict or potential conflict or take other actions that would make a fresh conflict check prudent.

If you are agreeable to my undertaking the representation on the basis outlined in this letter, please signify this by signing and returning a copy of this letter to me. If you would like to discuss these matters further, feel free to give me a call.

Again, I appreciate your confidence and look forward to working with you and the Republic in this endeavor.

Sincerely,

Jack Abramoff

Acknowledged and accepted for
CADWALADER, WICKERSHAM & TAFT

By Julius Kaplan
Title Counsel
Date July 31, 1995