

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	Kaprielian O'Leary Advertising, Inc. 99 Madison Avenue New York, NY 10016	2. Registration No. 3780
-----------------------------------	---	---------------------------------

3. Name of foreign principal Cayman Airways	4. Principal address of foreign principal Cayman Islands BWI
--	--

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 registrant deals.
- c) Principal aim

91 DEC 27 18:11

RECEIVED
DEPT OF JUSTICE

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

Cayman Airways operates an airline on routes to and from the Cayman Islands and the United States.

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

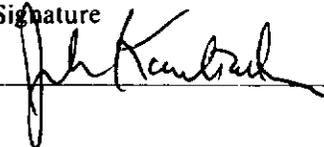
Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

Cayman Airways is a stock company 100% of which is owned by the Government of Cayman Islands.

The government of the Cayman Islands has on occasion subsidised operating losses of Cayman Airways.

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.

Date of Exhibit A	Name and Title	Signature
12/18/91	John Koutsantanou Vice Chairman	

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
Kaprielian O'Leary Advertising, Inc.	Cayman Airways

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 three 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 three 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 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.

Kaprielian O'Leary Inc. is a full service advertising agency

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

Production of advertising material and placement of media to promote tourism and travel to the Cayman Islands via Cayman Airways.

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	Name and Title	Signature
12/18/91	John Koutsantanou Vice Chairman	

Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging thereon 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.

original

RON O'LEARY KAPRIELIAN, INC.

1995 BROADWAY, NEW YORK, NEW YORK 10023 TELEPHONE (212) 580-9494

Mr. Florentino Gonzalez
Managing Director
Cayman Airways
P.O. Box 1101
Grand Cayman
Cayman Islands, British West Indies

Gentlemen:

This will set forth the terms and conditions on which you agree to employ us and we agree to serve as your exclusive advertising agency in the United States with effect from April 1, 1985.

I. BASIC SERVICES

Our services to you shall include services customarily performed by a general advertising agency, including but not limited to the following:

- (a) Formulating and submitting for your approval advertising campaigns and recommendations.
- (b) After approval by you, creating and preparing advertising for all consumer and trade print, broadcast and other media.
- (c) Planning media commitments consistent with budgeted and approved funds and supporting these media commitments with advertising strategy and rationales and submitting for your prior approval, detailed media cost estimates.
- (d) Purchasing all materials and services necessary for the production of finished advertisements and commercials.
- (e) Executing advertising in finished form.
- (f) Ordering advertising space and time or other means for transmitting your advertising and forwarding advertising material to media with proper instructions.
- (g) Looking after necessary checking of advertisements and publications for appearance, date, position, size and mechanical reproduction.
- (h) Paying all charges incurred and assumed by us on your behalf.
- (i) Endeavoring to do all of the above on the most advantageous rates, terms and conditions available.

91
27
8:11
RECEIVED
DEPT. OF JUSTICE

II. MINIMUM GUARANTEED COMPENSATION

Our compensation for advertising services will be based on the standard agency commission procedure as outlined in III below. The minimum guaranteed compensation shall be agreed between both parties from time to time and will be related to the amount approved by Cayman Airways as being available for advertising and collateral.

III. MEDIA, PRODUCTION AND OTHER CHARGES

(a) You agree to pay us under the standard agency commission procedure for the following costs incurred on your behalf:

1. All media charges for advertising run in all media at the current published or negotiated rates, except that if a medium allows no agency commission or a commission of less than 15%, you will make up the difference to yield us 15% of the total charged by the medium, before any prompt payment discount. If, in a medium having a schedule of graduated rates, you use a different amount of space or time than contracted for, the amount payable by you will be adjusted to reflect the charges for the space or time used.

2. All charges for production and purchase of advertising materials and programs including without limitation typography, engraving, electrotypes, printing, photographs, artwork, comprehensive layouts, film, video tapes, musical arrangements, radio and television talent, programs and facilities, talent props, scenery, sound and lighting effects, rights, royalties and producers' or packagers' fees at cost plus an amount, which after deduction of our cost, will yield us 15% of the gross amount before deduction of any prompt payment discounts as agency commission.

3. Payments and records for talent handled by an outside service will be charged to you at cost for the gross wages and pension and welfare paid to or for the talent plus an amount which will yield us 15% of the gross amount; the charges of outside services will be billed without commission.

(b) You agree to pay us for the following items if prepared by our personnel, in accordance with estimates which have been approved by you; mechanical pasteups, comprehensives, production storyboards and photoboards.

(c) You agree to reimburse us for the following items at our net cost, without commission:

1. Travel expenses, including transportation, hotels, meals, etc. of our personnel in connection with the servicing of your advertising account and any special services:

in respect of such expenses:-
Provided however that the liability of Cayman Airways

(1) shall not be incurred without its express approval in writing; and

(11) shall not, without similar approval in the case of any particular item exceed the amount which a civil servant

rank of Head of Department of the Cayman Islands Government could under the Regulations of Government for the time being applying to him, be able to claim in respect of that item.

2. Sales and use and other taxes, import duties, and insurance incurred in connection with compensation, items or services purchased for you, including but not limited to the production and forwarding of materials such as mats, stereos, engravings, recordings, art and similar items.

3. Charges originating with us for costs of forwarding, storing, shipping and mailing, including, without limitation, packing, postage and expense costs, telephoning, telegraphing, telecopier, duplicating and messenger services incurred in the servicing of your account.

4. Charges incident to legal services authorized by you, including without limitation, trademark and copyright advice, and registrations, negotiation of talent and other extraordinary contracts, and representation before industry and governmental regulatory agencies.

IV. PAYMENT: DISCOUNTS

Our billings to you must be collected from you no later than the earliest date on which we must make payment on your behalf. However we shall also have the right to require reasonable assurance of the availability of your funds in advance of undertaking commitments on your behalf. We will give you the benefit of any cash or prompt payment discounts allowed, provided you pay us by the due date indicated on our invoices to you. Commissions will be calculated without regard to any prompt payment discount.

V. SPECIAL SERVICES

In addition to the basic services, we are pleased to render special services, to you in support of traditional media advertising. Any special services agreed upon will be charged to you in accordance with estimates which have been approved by you. Special services will be credited against any minimum compensation. Special services include, without limitation, the following:

(a) Sales promotion material such as point-of-sale material, direct mail, leaflets, inserts, catalogs, brochures, sales films, training films, sales manuals, and other similar material prepared for use other than in traditional advertising media.

(b) Research services such as studies of your products or services, studies of consumer or trade attitudes and behaviour towards such products or services (or the normal analysis of studies done by others.)

(c) Design services including packaging, trademarks and corporate identity programs.

(d) Special marketing services such as investigations of market potential and distribution problems.

(e) Services relating to the development of new product concepts from pre-testing activities through active test marketing of new products.

(f) Services relating to the distribution and local origination of television and radio programs.

(g) Sales meetings.

(h) Visual presentation materials prepared for your use.

(i) Videotape facilities.

VI. GENERAL

(a) We will obtain your authorization before making any commitments for media placement or any expenditures on your behalf.

(b) If you should desire any advertising material or special material created by us hereunder to be placed outside North America through another advertising agency or other party, you and we will agree upon the terms in advance.

(c) As between you and us, any idea, plan, advertising material or special material which is adopted by you will become your property when you have paid our invoice therefor. Any material or ideas prepared or submitted to you, but not adopted and paid for by you, will remain our property (regardless of whether the physical embodiment of creative work is in your possession in the form of copy, artwork plates, recordings, films, tapes, etc.) and may be submitted to other clients for their use, provided that such submission or use does not involve the release of any confidential information regarding your business or methods of operation.

(d) You hereby agree to indemnify and hold us harmless from and against any and all claims, demands, regulatory proceedings and/or causes of action and all damages, costs (including, without limitation, settlement costs) and expenses (including, without limitation, reasonable attorneys' fees) arising from or relating to any activities undertaken by us on your behalf, including, without limitation, the preparation or presentation of any advertising except there shall be excluded from the foregoing any claims, suits or proceeding for damages arising out of our sole negligence.

(e) You shall be held solely liable for damages and shall indemnify, hold harmless and defend us, our subsidiaries, affiliates, employees, officers and agents, should any claims, suits or proceedings be brought against us as a result of your products whether such use is by your employee, agent or associate or by any other person, except there shall be excluded from the foregoing any claims, suits or proceedings for damages arising out of our sole negligence.

(f) We will use our best efforts to guard against any loss to you through failure of media, suppliers or others to perform in accordance with their commitments, but we will not be liable for any failure on their part. If we learn of valid claims you may have against media, suppliers or others, we will promptly advise you, and if you agree to pay our expenses, we will represent you in the adjustment, settlement or prosecution of such claims. We will not settle any such claim without your prior approval.

(g) You have the right at any time to direct us to cancel any plans, schedules or work in progress, but you agree to indemnify us against any loss, cost or liability we may sustain as a result of such action. We will be entitled to our commissions, fees and payments for services performed prior to your instructions to cancel, and for advertising and materials placed or delivered thereafter if we are unable to halt such placement or delivery. Under no circumstances will we be obliged to breach any lawful contractual commitment to others.

(h) We reserve the right to refuse to undertake any campaign, prepare any material, or cease publication, broadcasting or other dissemination of any material which in our sole judgement might be actionable or unlawful.

(i) In the event that we are required to resort to collection procedures or litigation for the collection of any compensation due us, we shall be entitled to collect from you reasonable attorney's fees and costs in addition to such compensation.

(j) At reasonable times and on reasonable notice to us, you may examine our files and records which pertain specifically to your advertising.

VII. TERMINATION

(a) We shall continue to serve as your advertising agency until you or we shall terminate our services with or without cause, or with respect to specified products or services assigned to us by giving not less than ninety days' prior written notice by registered mail to the principal place of business of the other. Notice of termination shall become effective upon receipt of such notice by the party to whom it is addressed.

(b) Our rights and duties hereunder shall continue in full force during the ninety day notice period including the ordering of advertising which is normally ordered, appears, or whose closing date occurs, during the period, and we shall continue to receive commissions on any advertising ordered, appearing, or whose closing date occurs before or during the ninety day period, even if the closing date is after the ninety day period. For purposes of the foregoing, closing dates for print media shall be the actual closing date and for electronic media the date the media is ordered.

(c) Any reservation, contract or arrangement made by us for you prior to the termination date which continues beyond the termination date will be carried to completion by us and paid for by you in accordance with this agreement unless, within 30 days following notice of termination, you (i) direct us to transfer such reservation, contract or arrangement,

as of the termination date, to another entity, and (ii) duly release and indemnify us, in which event will attempt to make such transfer, subject to obtaining any necessary consent of third parties.

VIII. MISCELLANEOUS

(a) This agreement contains the entire understanding between the parties and may not be altered or waived except by a writing signed by both parties. No waiver by any party of the breach of any term or condition of this agreement will constitute a waiver of, or consent to, any subsequent breach of the same or any other term or condition of this agreement.

(b) This agreement will be governed by the laws of the Cayman Islands applicable to contracts executed.

Please indicate your acceptance of the terms and conditions by signing the enclosed copy of this letter and returning it to us.

Very truly yours,

FEARON O'LEARY KAPRIELIAN, INC.

By *Allen O'Leary Puss*
Authorized Officer/

Date *2/7/85*

Witness *Blair J. Puss*

AGREED TO:

CAYMAN AIRWAYS LTD.

By: *[Signature]*
Authorized Officer

Date *Feb 7/85*

Witness *[Signature]*

RECEIVED
DEPT. OF JUSTICE
91 FEB 27 10:11