

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 GCI GROUP, 777 Third Ave., New York, NY 10017		2. Registration No. 3856						
3. Name of foreign principal Govt. of the British Virgin Island		4. Principal address of foreign principal Road Town, Tortola British Virgin Island						
5. Indicate whether your foreign principal is one of the following type:								
<input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or <input type="checkbox"/> domestic organization: If either, check one of the following: <table style="width: 100%; border: none;"> <tr> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> Committee</td> </tr> <tr> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Voluntary group</td> </tr> <tr> <td><input type="checkbox"/> Association</td> <td><input type="checkbox"/> Other (specify) _____</td> </tr> </table> <input type="checkbox"/> Individual—State his nationality _____			<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee	<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group	<input type="checkbox"/> Association	<input type="checkbox"/> Other (specify) _____
<input type="checkbox"/> Partnership	<input type="checkbox"/> Committee							
<input type="checkbox"/> Corporation	<input type="checkbox"/> Voluntary group							
<input type="checkbox"/> Association	<input type="checkbox"/> Other (specify) _____							
6. If the foreign principal is a foreign government, state:								
a) Branch or agency represented by the registrant. Ministry of Finance								
b) Name and title of official with whom registrant deals. Mr. Robert A. Mathavious Director of Financial Services								
7. If the foreign principal is a foreign political party, state:								
a) Principal address N/A								
b) Name and title of official with whom registrant deals. N/A								
c) Principal aim N/A								

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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

N/A

b) Is this foreign principal

N/A

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

Name and Title Bruce E. Bishop
EVP Finance/Administration

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 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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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
GCI GROUP	GOVT. OF THE BRITISH VIRGIN ISLANDS

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.

As described in the attached contract, the registrant will provide public relations services to the foreign principal. The fee for such services will be based upon the amount of time devoted to the project, plus out-of-pocket expenses. The duration of the agreement is two years

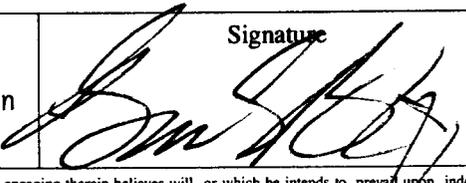
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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The registrant will provide public relations services for the foreign principal.

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.

Date of Exhibit B	Name and Title Bruce E. Bishop EVP, Finance/Administration	Signature 
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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.

THIS AGREEMENT is made this first day of October, 1994 between H. LAVITY STOUTT, Chief Minister and Minister of Finance acting for and on behalf of The Government of The Virgin Islands and GCI GROUP INC., a company duly incorporated and validly existing under the laws of the state of New York in the United States of America and having its legal domicile at 777 Third Avenue, New York, N.Y. 10017 in the United States of America and sets out the terms and conditions under which GCI GROUP INC. hereinafter GCI will serve as a Public Relations Consultant and Public Relations Agent for the Financial Services Department of the Ministry of Finance of the Government of the British Virgin Islands hereinafter FSD.

1. DURATION

- 1.1. This Agreement is for a period of two years commencing on the 1st day of October, 1994. It is subject to termination by either party by giving ninety (90) days written notice.**
- 1.2. The duties, rights and responsibilities of the parties shall continue in full force during the period of notice of termination.**

2. SERVICES

- 2.1. Within the scope and limitations of the agreed upon budget, GCI will provide FSD with the services set out in Appendix A which is incorporated in and forms part of this Agreement, and will devote its best efforts to further FSD's interests and work with FSD to:
 - (i) provide public relations counseling and services for FSD;**
 - (ii) develop a positioning and strategic message;**
 - (iii) establish appropriate media and other contacts for FSD;**
 - (iv) design, advise on and manage the advertising programmes of FSD; and**
 - (v) produce communication materials.****
- 2.2. GCI will direct and coordinate its programme for FSD out of its headquarters office in New York and that office will be responsible to FSD for the management and execution of programme activities. GCI will call on the support and resources of its other offices as needed to provide the required services.**
- 2.3. The services to be provided by GCI will cover the major financial markets worldwide including but not limited to the United States, Canada, The United Kingdom, Europe, The Middle East and The Far East.**

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3. **COMPENSATION**

- 3.1. In consideration of the services performed by GCI, FSD will compensate GCI on the basis of its staff time and the billing rates of its executives as set out at Appendix B, subject to the following considerations:

Fees and Expenses

- (i) GCI's fees and expenses in any calendar year will not exceed the ceiling for promotional and advertising expenses established and authorized for this purpose through the Annual Estimate of Expenditure approved by the Legislative Council of the Virgin Islands. The Director of Financial Services on behalf of the Minister responsible for Financial Services undertakes to inform GCI of the approved budget within fifteen (15) days from the date of such approval.
- (ii) If GCI foresees that its fees and expenses for any twelve (12) month period will exceed the ceiling, approved by the Legislature of the Virgin Islands, (the Legislature) it will advise FSD of this in writing and FSD will use its best effort to secure the authorization of the Legislature to exceed the approved ceiling and failing such authorization, GCI shall curtail its activities to remain within the ceiling approved by the Legislature.
- (iii) FSD may from time to time seek GCI's counsel and advice on specific projects which GCI shall undertake on behalf of FSD outside the scope of the promotional and advertising budget approved by the Legislature. The scope of such projects and the staff-time fees and anticipated expenses involved in executing such projects shall be specifically authorized by FSD in writing in advance.

Expenses

(i) **General**

GCI will obtain the prior written authorization of FSD prior to incurring any expenditure of more than \$5,000 on any one item.

(ii) **Production and Creative Services**

GCI will bill FSD for all production and creative services developed by third-parties at GCI's cost plus 17.65%. This will include such services as photography, prints, slides, video production, news clippings, artwork, printing and production, and similar items. All such third-party production and creative services shall be subject to FSD's prior written approval.

(iii) **Out-of-Pocket-Expenses**

GCI will bill the following items to FSD at net cost and pursuant to FSD's standard policies for such items which FSD will provide to GCI.

(a) **Travel**

GCI will be reimbursed for appropriate transportation (business class tickets), meals, accommodation and incidental expenses for business travel undertaken by GCI staff in the conduct and exercise of their obligations under this agreement.

(b) **Packing, Shipping, Delivery and Communications**

All expenses incurred by GCI in connection with forwarding material on FSD's behalf, including expenses for telephone, telegraph, telex, cable, messenger and postage charges.

Reports and Payments

- (i) GCI will submit to FSD at the end of each month a report on its activities, accompanying its monthly invoice.
- (ii) On signing the contract GCI will send FSD an invoice for \$20,000 to be credited against billing outstanding at the time of contract termination. Thereafter, GCI will send FSD invoices at the end of each month, covering both staff-time fees and expenses.
- (iii) All invoices are payable within 30 days after receipt by FSD.
- (iv) Production, creative services and all out-of-pocket costs will be billed to FSD on the next monthly bill after invoices for such costs as received by GCI.

4. GENERAL PROVISIONS

4.1. Conflict of Interest

During the term of this Agreement, GCI agrees to refrain from acting as public relations agent for any products or clients competing or desirous of competing with FSD. FSD in turn agrees not to engage the services of any other public relations company to provide services similar to those provided by GCI.

4.2. Ownership

All copy, layouts, scripts, art, work, photocopy, designs or other materials or documents prepared, purchased or furnished by GCI on FSD's account and at FSD's expense and produced during the term of the Agreement are the property of FSD and shall be delivered to FSD on request.

4.3. Confidentiality

During the term of this agreement and thereafter, GCI will use due care to maintain all property and material whether prepared or furnished by GCI or FSD in the strictest confidence and will not disclose the same to any third party without FSD's prior written authorization.

4.4. Examination of Records

FSD may at any time during the term of this Agreement and upon reasonable notice, examine GCI's files and records pertaining to the services provided to FSD under the terms of this agreement.

4.5. Agreement

This is the complete and sole agreement between the parties and supersedes as of its effective date any and all prior agreements or understandings between the parties, and shall be governed by the laws of the Virgin Islands.

The Agreement or any provision thereof may not be modified or altered except by mutual written agreement between the two contracting parties.

5. **INDEMNIFICATION**

5.1. GCI shall exercise due diligence in carrying out its work for FSD and will indemnify FSD for any loss which results in a final judgment for monetary damages resulting from:

- (1) Libel, slander, defamation;
- (2) Any infringement of copyright or of title or slogan;
- (3) Piracy, unfair competition plagiarism or idea misappropriation;
- (4) Invasion of rights of privacy.

5.2. FSD will indemnify GCI for all claims and actions by third parties for damages in consequence of GCI's carrying out FSD's instructions under this agreement.

6. **GENERAL**

6.1. FSD reserves the right to modify, reject, cancel or stop any and all work under the Plan, schedules or work in progress and GCI will in such event immediately take proper steps to carry out FSD's instructions.

6.2. In such event, and where the action of FSD pursuant to paragraph 6.1 is not caused by the failure of GCI to properly fulfill its obligations under the Agreement, FSD agrees.

- (i) to assume GCI's contractual liability for all such commitments made in accordance with the agreement; and
- (ii) to pay GCI in accordance with the provisions of this agreement, any and all proper fees earned and expenses incurred by GCI in connection with such work up to the time of its discontinuance, cancellation or modification.

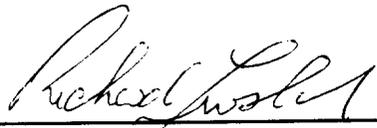
6.3. GCI will endeavor to the best of its ability to guard against any loss to FSD through failure of suppliers to execute properly their commitments but GCI will not be held responsible for any failure on their part.

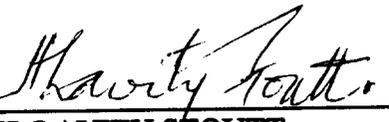
6.4. On termination of this agreement, FSD will pay for all authorized work in process at cost.

6.5 GCI shall transfer, assign and make available to FSD or its duly authorized agent or representative all property and materials in GCI's possession or control belonging to or paid for by FSD. GCI also undertakes to give all reasonable cooperation to transferring and approval of third parties in interest and reservations, contracts and agreements yet to be used and all rights and claims thereto and thereon upon being duly released from the obligation thereof.

7. ARBITRATION

The parties agree that in the event of a dispute arising under this Agreement they will be bound by the decision of an Arbitrator appointed by their mutual agreement and in accordance with the Arbitration Act, Cap. 6 of the Laws of the Virgin Islands.

By 
RICHARD FURSLAND
EXECUTIVE VICE PRESIDENT
AND MANAGING DIRECTOR
INTERNATIONAL BUSINESS
FOR GCI GROUP

By 
H. LAVITY STOUTT
CHIEF MINISTER AND
MINISTRY OF FINANCE
FOR AND ON BEHALF OF
THE GOVERNMENT OF THE
BRITISH VIRGIN ISLANDS