

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
McCann Direct, Inc.	Government of India Tourist Office, Div. of Gov't. of India, Dept. of Tourism.

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.
- Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant provides advertising agency services to the Government of India Tourist Office. The nature and method of performance of such services is fully set out in the letter of appointment between the parties (copies attached hereto)

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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.

Registrant acts as an advertising agency for its foreign principal in connection with tourism advertising in the United States. As such, it is involved in the production and placement for broadcast or publication of advertising designed to stimulate tourism to India.

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

1/29/88

Name and Title

George L. Lynaugh,
Exec. V.P./Gen. Mgr.

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.

TELEPHONE: 212-586-4901

CABLE ADDRESS: "TOURINDIA"



GOVERNMENT OF INDIA
TOURIST OFFICE

30 ROCKEFELLER PLAZA
(North Mezzanine)
NEW YORK, N.Y. 10112

McCann Direct Advtg. Agency

September 3, 1987

Mr. George L. Lynaugh
Executive Vice President
General Manager
McCann Direct, Inc.
485 Lexington Avenue
New York, N.Y. 10017.

Dear Mr. Lynaugh:

Please refer to your letter of March 13, 1987 enclosing your standard letter of appointment for my signature.

I am sorry it has taken me so long to get back to you but as you are perhaps aware I have been in and out of hospitals with a long complicated illness. I am now back at my desk and enclose the letter of appointment duly signed.

Assuring you of our cooperation and with best wishes,

Yours sincerely,


(Mrs) L. S. Nadhan
Regional Director

Encl: as stated

INTERNAL SECURITY

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CRIMINAL DIVISION

MCCANN DIRECT, INC.
LETTER OF APPOINTMENT

Date: March 16, 1987

We, Government of India Tourist Office (Advertiser) hereby appoint McCann Direct Inc. (Agency) as our advertising agency in accordance with the provisions hereof. This appointment is effective April 1, 1987 and shall continue in force for one year following such date and thereafter until terminated by Advertiser or Agency upon four months' written notice given at any time after the end of such year.

It is understood that this appointment covers all advertising carried on by Advertiser in ^{Print} any media relating to any of Advertiser's products or services, except as noted in the following space: _____

It is understood that this appointment is made by Advertiser and accepted by Agency in accordance with the following additional terms:

I. COMMITMENTS:

No commitments to media, suppliers or other outside parties will be made by Agency on behalf of Advertiser unless authorized by Advertiser.

II. AGENCY SERVICES:

1. Services Regularly Provided by Agency: In consideration of the compensation provided below in paragraphs 1 and 2 of Section III, Agency will:

- (1) Analyze and study Advertiser's marketing and promotional requirements and prepare advertising recommendations and plans to meet them; said plans to include media and recommended media strategy.
- (2) Plan, create, write and supervise the production of all advertising, including printed advertisements and television and radio commercials, used in media on which commissions are received.
- (3) Order or contract for necessary space, time, talent, and materials; check the advertising; audit and pay bills of media and other suppliers; and render invoices to Advertiser for the charges incurred for its advertising.

2. Special Services: On the terms and conditions set forth below in paragraph 4 of Section III, Agency will create and develop original radio and television programs; will create and develop cooperative advertising for placement by Advertiser's distributors or dealers; will provide, or cause its affiliates to provide, specialized marketing promotion services, including public relations, research, sales promotion and direct mail services; and will perform other special services or creative work requested by Advertiser.

III. AGENCY COMPENSATION:

Advertiser will pay Agency for all space, time, materials and services purchased or performed for Advertiser. Advertiser will compensate Agency for its services in accordance with the following billing practices:

1. Space and Time: On all advertising handled by Agency for Advertiser in advertising media which allow an agency commission of at least 15%, Agency will charge Advertiser the rates charged by the owners of the media. In any case where there is no agency commission or where the commission is less than 15%, Agency will bill Advertiser at the rates charged by the owners of the media less any agency commission included therein plus an agency commission equaling 15% of the gross amount billed to Advertiser.

2. Artwork, Talent and Production for Commissionable Space and Time: The following items will be billed to Advertiser at Agency's outside costs plus an agency commission equaling 15% of the gross amount billed to Advertiser.

- (1) Artwork and mechanical production (such as comprehensives, photostats, photographs, mechanicals, photo composition, separation film material and proofs, printing, publication film material, and any other art and mechanical items related to the production of print advertisements).

[Photostats obtained from outside suppliers will be billed to Advertiser at Agency's outside costs plus commission. Photostats prepared on Agency's equipment will be billed to Advertiser at rates from a schedule that will be furnished to Advertiser from time to time. Such rates, however, shall not exceed the going rate for photostats purchased on the outside. An agency commission will be added to these rates.]

- (2) Talent and production for radio and television programs, commercials (including comprehensive storyboards), motion pictures, videotape cassettes, slides and slide films.

[Talent payments will be made by an outside supplier retained by Agency. Although talent payments are commissionable as stated above, the supplier's charges to Agency for its services, which charges shall be deemed to include payroll taxes, will be billed to Advertiser at Agency's net cost.]

Three-quarter inch color videotape cassettes obtained from outside suppliers will be billed to Advertiser at Agency's outside costs plus commission. Three-quarter inch color videotape cassettes prepared on Agency's equipment will be billed to Advertiser at rates from a schedule that will be furnished to Advertiser from time to time. Such rates, however, shall not exceed the going rate for three-quarter inch color videotape cassettes purchased on the outside. An agency commission will be added to these rates.]

- (3) Expenditures incident to the securing of testimonials and the right to use names and/or likenesses of individuals or copyrighted material.

Agency shall also bill for Agency's creative staff time devoted to the preparation of comprehensives (print and television) at the rate of \$ 40 per hour.

3. Packing, Shipping, Delivery, Communications and Travel: Expenses incurred by Agency on Advertiser's account for the following items will be billed to Advertiser at Agency's outside costs without commission:

- (1) Packing, shipping and delivery.
- (2) Cable, telegraph, and long distance telephone (in those instances of abnormal expense incurred in furthering Advertiser's interest).
- (3) Traveling, at Advertiser's request, in connection with Advertiser's account.

4. Special Services: The creation and development of original television and radio programs and of cooperative advertising for placement by Advertiser's distributors or dealers will be billed at Agency's outside costs plus an agency commission equalling 15% of the gross amount billed to Advertiser. In those cases where Agency's work is excessive in relation to the amount of outside purchases, such services will be billed at an agreed upon fee.

Specialized marketing communications services, including public relations, research, sales promotion and direct mail service, will be performed on an individual project or continuing retainer basis and will be billed to Advertiser at fees agreed upon, in writing, between Advertiser and Agency or between Advertiser and Agency's affiliates.

Other special services or creative work requested by Advertiser and provided by Agency will be billed at Agency's outside costs plus an agency commission equalling 15% of the gross amount billed to Advertiser, together with a charge for Agency's creative staff time devoted to such service or creative work calculated at the rate of 2.5 x hourly salary cost.

Accepted: McCann-Direct, Inc.
Agency

By: George Symansky

Title: Executive Vice President, General Manager

Date: March 16, 1987

IV. PAYMENT AND CASH DISCOUNTS:

Agency's invoices are payable on or before the due dates specified thereon. Agency will allow Advertiser the same dollar amount of cash discounts which it receives from media owners and suppliers whenever the cash discounts are earned by Advertiser by payment on or before the due dates established by media owners and suppliers.

The details of billing and paying procedures will be worked out by representatives of the respective Accounting Departments of Advertiser and Agency, for their mutual convenience and in accordance with the generally recognized principle that Agency will not be required to finance the advertising program of Advertiser.

V. OWNERSHIP OF MATERIALS:

All plans for advertising, unique campaign ideas, slogans, copy themes, preliminary sketches, layouts, copy, finished artwork, television and radio commercials, and other advertising material prepared for Advertiser or purchased for Advertiser's account by Agency and paid for by Advertiser in accordance with the terms of this Agreement, shall be the exclusive property of Advertiser except to the extent that rights therein shall have been reserved by third parties including, but not limited to, actors, photographers and persons engaged or employed by Agency to compose the words and/or music of musical compositions used on behalf of Advertiser.

VI. AUDIT:

Advertiser shall have the right at any reasonable time to examine the books and records of Agency for the purpose of verifying any media, production or other bills of outside suppliers which Agency has rebilled to Advertiser.

VII. TERMINATION:

In the event of termination of this Agreement, it is agreed that Agency will receive its regular commission on all television and radio advertising which is aired during the four months' notification period, and on all printed media placed by Agency having closing dates during the same period, even though material other than that prepared by Agency should be used. Agency will bill Advertiser as provided herein for all other advertising materials and services authorized by Advertiser and procured or performed by Agency.

Upon the expiration of the period of notice, to the extent that third parties in interest refuse to release Agency from its obligation, Agency shall be reimbursed for any costs incurred by Agency in connection with noncancellable contracts made on Advertiser's authorization.

Advertiser

By: Leela S. Nadhan
3/19/87

Title: MRS. LEEA S. NADHAN

Date: GOVT. OF INDIA TOURIST OFFICE
NEW YORK