

REVISED

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 |
|--------------------|---------------------------|
| Capitoline/MS&L | Republic of Algeria |

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.

Registrant has no formal written contract with the above-named foreign principal, but works under the contract of Katten, Muchin, Zavis & Dombroff with the foreign principal. (Copy attached)

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

From time to time registrant will communicate information on principal's policies, activities and circumstances through written correspondence, telephone calls, and meetings with Members and staff of the United States Congress, Executive Branch officials, and news media organizations.

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REGISTRATION UNIT

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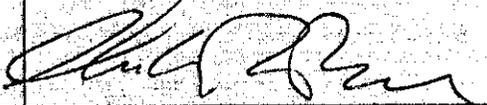
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Registrant will advise and assist the foreign principal in communications to secure an accurate understanding in the United States of foreign principal's policies, purposes and circumstances.

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.

See Item 4.

| Date of Exhibit B (Rev.) | Name and Title | Signature |
|--------------------------|--|---|
| October 11, 1994 | Charles R. Pucie, Jr. Chief Executive Officer |  |

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.

KATTEN MUCHIN ZAVIS & DOMBROFF

AGREEMENT

BETWEEN:

Le Bureau d Etudes et de Prestations, domiciled at 18 rue Docteur Saadane, Algiers, represented by its Director General, Mr. Hamida Redouana, hereinafter referred to as "BEP"

ON THE ONE HAND,

AND

Katten Muchin Zavis & Dombroff, located at 1025 Thomas Jefferson Street, N.W., East Lobby, Suite 700, Washington, D.C. 20007-5201, represented by E. Lawrence Barcella, Jr., hereinafter referred to as "KMZD"

ON THE OTHER HAND,

THE FOLLOWING HAS BEEN DECIDED AND AGREED:

ARTICLE 1: PURPOSE OF THE AGREEMENT

Within the framework of the present Agreement, KMZD undertakes to provide to BEP services, advice, and counsel regarding access to international capital markets, on contacts to be established with competent U.S. governmental and legislative authorities as well as with non-governmental organizations and journalists.

ARTICLE 2: METHOD OF CONCLUSION OF AGREEMENT

The present agreement shall be concluded by negotiation and mutual agreement between the parties.

ARTICLE 3: SCOPE AND MODALITIES FOR PROVISION OF SERVICES

The services, advice, and counsel covered by the present Agreement shall in general be given by attorneys and experts having received international training and capable of speaking and drafting in several languages.

The aforesaid services, advice, and counsel shall be provided by specialized experts selected for each case as a function of their experience and competence in the particular field.

The aforementioned services, advice, and counsel, including preliminary research, discussions, and preparation of the necessary materials directed toward and concentrating especially on the analysis of programs of financial support available, and emphasizing the strategies to be used to obtain new capital, and the selection of international investment banks. Such services, covering the most important officeholders in U.S. governmental

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agencies and legislative entities in order to evaluate the present situation and the various levels of support for Algeria, and also in order to monitor the activities, positions taken, as well as the events which occur within these governmental agencies and to report thereon. They shall also include contacts with journalists, authors, and non-governmental agencies with competence in the field.

These services, advice, and counsel shall include, in particular, those described in the letter dated March 23, 1993, from KMZ&D to the Ambassador of Algeria in Washington.

Future services, advice, and counsel concerning preliminary research and the preparation of material analyzing available financial support programs, the obtaining of new capital, and the selection of international investment banks shall, where necessary, be covered in a separate agreement with the competent Algerian ministry if KMZ&D is selected to advise Algeria on such problems.

These services may vary depending on the needs expressed by the BEP.

ARTICLE 4: HONORARIA AND METHODS OF PAYMENT

For professional services rendered and for its services, advice, and counsel, KMZ&D shall be entitled to honoraria which shall be computed in accordance with what is customary in international law firms of comparable reputation, in particular, on the basis of the time spent and the experience required. Expenses for travel, telecommunications, document reproduction, and for travel abroad, where applicable, will be reimbursed.

KMZ&D shall receive honoraria in the amount of U.S.\$100,000 for the services already rendered for the account of the BEP as well as for those to be rendered under the terms of this Agreement. Should these services exceed U.S.\$100,000, they will be based on the time spent to carry out the services at the hourly rate applicable to each person participating. These hourly rates shall be as follows:

- Partners: between \$175 and \$275 per hour
- Associates: between \$95 and \$175 per hour
- Paralegals: \$80 per hour

The expenses and honoraria payable under this Agreement shall figure in monthly statements which shall be submitted on a timely basis. The statements shall show, separately, the expenses (in U.S. dollars) and the honoraria.

The honoraria, to which the expenses expressed in convertible currency shall be added, shall be paid from entirely transferable

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and payable credits. The bills shall be paid by the BEP to KMZ&D in U.S. Dollars by means of an international transfer to Riggs National Bank in accordance with the following instructions:

To the account of:
KMZ&D General Client Funds
Riggs National Bank of Washington, D.C.
Washington Harbour Office
Account No.
ABA No. 054
Attention: Ellen Kaufman

The credits allocated shall be drawn down only to the extent of the professional services rendered.

The total amount of the present Agreement is set at U.S.\$300,000. If the honoraria and the expenses billed should exceed this amount, the Parties shall consult to establish, by endorsement, a new amount for the Agreement.

ARTICLE 5: EXCLUSION OF INTERMEDIARIES

The present Agreement is concluded in accordance with the provisions of Law No. 88-29 dated July 19, 1988, prohibiting the use of intermediaries.

ARTICLE 6: CHANGES IN SERVICES RENDERED

Any modification to the present Agreement shall be by means of endorsement.

ARTICLE 7: OWNERSHIP OF DOCUMENTS

The documents concerning studies and services rendered within the framework of this convention shall be the exclusive property of the BEP.

ARTICLE 8: SUBCONTRACTING

KMZ&D may not subcontract or cede its contractual obligations except following written agreement by the BEP.

ARTICLE 9: TERMINATION

In accordance with the ethical rules of the profession to which KMZ&D belongs, the BEP may waive or renounce these services and KMZ&D may then refrain from or cease providing these services, whether these comprise a specific project or the whole range of services covered by the present Agreement. However, KMZ&D may not, without a valid reason, cease providing its services for any project for which its participation is still necessary.

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In case of termination by one party or the other, KMZ&D shall, without delay, submit a statement of its expenses and honoraria covering the services provided up to the date they were terminated.

ARTICLE 10: DURATION OF THE AGREEMENT

The present agreement is concluded for the period of one year. It may be renewed by mutual agreement.

ARTICLE 11: ENTRY INTO FORCE

For official purposes, the present Agreement shall take effect as of April 15, 1993, the actual date of the initiation of the provision of services.

ARTICLE 12: CONTACTS BETWEEN THE PARTIES

The parties shall stay in permanent contact and shall undertake all useful exchanges of views with a view to ensuring efficient and economical use of KMZ&D's services and smooth collaboration between them, seeing to it that there is such agreement in viewpoint between them as much govern the execution of the present Agreement for the entire satisfaction of both parties.

ARTICLE 13: APPLICABLE LAW - JURISDICTIONAL COMPETENCE

The present Agreement shall be governed and interpreted under Algeria law in force. Any dispute or litigation which may arise from its execution or interpretation shall fall under the jurisdiction of Algerian courts.

ARTICLE 14: NUMBER OF COPIES

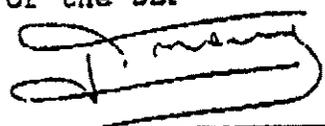
The present Agreement shall be concluded in ten (10) copies, five (5) for the BEP, five for KMZ&D.

Done at Algiers, this _____

For KMZ&D


E. Lawrence Barcella, Jr.

For the BEP



Hamida Redouane
Director General

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