

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials 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 of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the Administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public. Finally, the Attorney General intends, at the earliest possible opportunity, to make these public documents available on the Internet on the Department of Justice World Wide Web site.

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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 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 ADVANTAGE ASSOCIATES INC. 908 Pennsylvania Av. SE. Washington, DC. 20003	2. Registration No. 5419
3. Name of foreign principal SEKAR Mahoni Foundation SAKTI	4. Principal address of foreign principal Graha BIP, 10th floor Jl. GATOT Subroto Kav. 23 Jakarta, Indonesia 12930
5. Indicate whether your foreign principal is one of the following: <input type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or domestic organization: If either, check one of the following: <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Committee <input type="checkbox"/> Voluntary group <input checked="" type="checkbox"/> Other (specify) <u>Private Foundation</u> <input type="checkbox"/> Individual-State nationality <u>Indonesia</u>	
6. If the foreign principal is a foreign government, state: a) Branch or agency represented by the registrant. <u>N/A</u> b) Name and title of official with whom registrant deals. <u>N/A</u>	
7. If the foreign principal is a foreign political party, state: a) Principal address. <u>N/A</u> b) Name and title of official with whom registrant deals. <u>N/A</u> c) Principal aim <u>N/A</u>	

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

To promote relationship between Indonesia & U.S.

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal Yes No

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 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 must be used.)

The Foundation exists with the approval of the Indonesian government with the purpose of promoting a better relationship with the U.S. government.

The foundation is funded by independent persons and businesses within Indonesia who seek to promote closer ties to the U.S. for the purposes of stability of Indonesia and to foster better business opportunities with the U.S.

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.

THE SEKAR MAHONI SAKTI Foundation is a non-government entity composed of individuals and business interests in Indonesia. The membership contributes funding and elects its leadership from among its members.

Date of Exhibit A 03-19-01	Name and Title Bill Sarpalius President	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. One original and two legible photocopies of this form shall be filed 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, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant ADVANTAGE ASSOCIATES INC	2. Registration No. 5419
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3. Name of Foreign Principal
SEKAR Mahoni SAKTI Foundation

Check Appropriate Boxes:

- 4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
- 5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- 6. 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 expenses, if any, to be received.

7. Describe fully the nature and method of performance of the above indicated agreement or understanding.
Advantage Associates will use its best efforts to accomplish the goals and purpose of the Foundation of closer ties with the U.S.

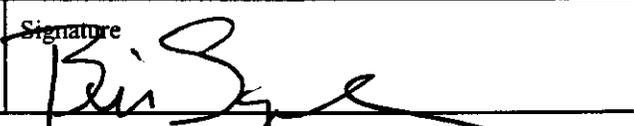
8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Assist the Foundation by expressing the Indonesian viewpoint to members of the U.S. Congress, the Administration and any agencies w/ jurisdiction on Indonesian matters, including the Department of Defense.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? 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.

Activities will center on seeking to lift an embargo on spare parts for the C-130 military aircraft used to help protect American property and in disaster relief efforts throughout the country. In addition, efforts will center on creating a positive view of Indonesia with the U.S. Congress, Administration and Department of Defense. These efforts will include position papers and personal visits with officials and inviting officials of the U.S. to make first hand assessments of Indonesia by visiting the country on a personal basis.

Date of Exhibit B 03-19-01	Name and Title Bill Sarpalius President	Signature 
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Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any 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 interests, policies, or relations of a government of a foreign country or a foreign political party.

CONTRACT

THIS AGREEMENT, made and entered in Jakarta into this 6th day of March 2001, by Advantage Associates Inc., 908 Pennsylvania Ave. SE, Washington, D.C. 20003 and Sekar Mahoni Sakti Foundation, states as follows :

Whereas Sekar Mahoni Sakti Foundation, located in Jakarta, Indonesia, hereinafter referred to as desires to bring to the United States a better understanding and awareness of Indonesia in the following areas :

National Ideology, illustrated by but not limited to :

- * The unitary State of the Republic of Indonesia is a democratic state based on Pancasila and 1945 Constitution that is imbued with noble national values which also represent universal values, such as :
 - Belief in the One Supreme God
 - A Just and Civilized Humanity
 - The Unity of Indonesia
 - Democracy wisely led by the Wisdom of Deliberations among Representatives
 - Social Justice for the whole people of Indonesia

Political System, illustrated by but not limited to :

- * After having been colonized for 350 years, the people of Indonesia, since gaining independence and in conformity with the Constitution, consistently and continually struggle together with other nations in supporting the struggle of all oppressed people towards achieving their most important human right which is freedom and independence. In striving for this, the Republic of Indonesia was the Founding Father and co-sponsor of the Afro-Asia Conference in Bandung, which later became the forerunner of the Non-Aligned Movement. Indonesia has always participated in United Nations efforts to preserve world peace and independence of nations. On the other hand, the Indonesian Government which is the most democratic elected government lead by duumvirate K.H. Abdurrahman Wahid and Mrs. Megawati Soekarnoputri, are now on their best effort reforming every aspect of life of the Indonesian people as stipulated by the People Consultative Assembly decision at their Conference in June 1999.

Economic System, illustrated by but not limited to :

- * The poverty and ignorance suffered by the Indonesian people as a direct result of the colonization and development mismanagement of the former regime, has committed Indonesia, to carry out a policy of planned development, that will lead towards a just and prosperous society both politically and spiritually. Indonesia with enormous potential of various resources and with its population of more than 200 million people, is one of the important economic power in the Asia Pacific region and is one of the biggest market and important trade partner of the USA.

Socio-cultural System, illustrated by but not limited :

- * The Indonesian people, consisting of hundreds of ethnic groups together with her diverse local cultures, customs and languages spread throughout the Nusantara Archipelago, are committed to being united in one nation as expressed in its national motto : "Unity in Diversity" without discrimination of ethnic origin, religion, race and skin's color. Based on her national history and culture, the Republic of Indonesia has always held in highest esteem democratic principles and deliberation to reach a consensus. It always attempts to solve problems among nations through peaceful means.

Defense & Security Doctrine, illustrated by but not limited to :

- * The law of Indonesian Security and defense has clearly separated the function and responsibility of the Indonesian Police and the Indonesian Armed Forces (TNI). Under this law the Indonesian Police is now responsible for security matters within the whole Indonesian territory, while the Indonesian Armed Forces (TNI) is responsible for any threat coming from outside the country. This separation of function and responsibility consequently caused wide range of implication on the role of the Indonesian Armed Forces, which is not anymore involved in the day-to-day internal affair of the Indonesian Society.

Geography, illustrated by but not limited to :

- * Indonesia is rich in both human and natural resources and her open economic system provides an opportunity for an attractive economic cooperation.
- * Geographically, Indonesia is strategically located between two continents (Asia and Australia) and two oceans (India and Pacific Oceans). It serves as the economic and security lifeline of the Asian Pacific region.

Demography, illustrated by but not limited to :

- * The Indonesian people have demonstrated to be versatile, self confident and religious and are endowed with human qualities of tolerance and open mindedness as well as adaptability towards all forms of values from other nations, which are good and beneficial

Social Condition, illustrated by but not limited to :

- * The Indonesian Government holds human rights in high esteem in its totality. Indonesian people actively conduct and supports national development programs to improve overall social conditions of the people such as an orderly and peaceful life, free from ignorance and poverty and to acquire food, clothing and housing in an equitable manner.

The background and the current circumstances problem in Indonesia :

1. The new government led by President K.H. Abdurrahman Wahid and Vice President Mrs. Megawati Soekarnoputri, inherited a wide range accumulated problem from the new order regime.
2. This problem has also been complicated by the long economic crisis, has made this problem a complicated multi dimensional which is need a tact action by the government to cope with.
3. The democratization effort which is known as “a Reformation” has been misinterpret by other political leader and the society to express their view and demand out of control which has put the government to a very unfortunate position. Base on those facts the economic development even though has shown its good result but still cannot change the predicament of Indonesia economic situation to a better stage.

Whereas Advantage Associates Inc., located at 908 Pennsylvania Ave SE, Washington D.C. 20003, hereinafter referred to as Advantage Associates, has the experience, background and capability to assist Sekar Mahoni Sakti Foundation in achieving the goals stated above, and

Whereas Sekar Mahoni Sakti Foundation desires to retain the consulting services of Advantage Associates.

Therefore, Advantage Associates and Sekar Mahoni Sakti Foundation agree to this contract in Jakarta on March 6th, 2001

TERMS AND CONDITIONS

1. Advantage Associates Inc. agrees to use its efforts to develop and implement a program to achieve the goals set forth herein and will provide related advice and counsel to Sekar Mahoni Sakti Foundation and concurrently with the Embassy of the Republic of Indonesia located in Washington , DC. Special attention will be given to Indonesia democratic institutions and to the Republic of Indonesia's efforts to reform the Indonesian Government and every aspect of life of the Indonesian people. The Republic of Indonesia's ongoing programs for human rights and for improving the social, cultural and economic conditions of East Timor and throughout the Republic of twenty seven provinces will be addressed. The role of Indonesian government authorities in conducting these efforts also will be explained. As part of the services, will:
 - A. Be responsive in timely manner to situation which arise, which may be concern to Indonesia, by formulating long-term and short-term solutions to those situations.
 - B. Meet regularly with designated person or office to discuss issues affecting the bilateral relationship of the two countries.
 - C. Provide regular analysis, through report and meetings, of specific aspects of current thinking in "Washington" on issues of importance to Indonesia.
 - D. Produce reports on regular basis on developments in "Washington" that are of interest to Indonesia.
2. The program will be directed toward political leaders and institutions of the U.S. Government (such as Administration, Senate, House of Representative and their related agencies), influential leaders of business, associations and organizations, the U.S. foreign policy establishment and those who influence public opinion, particularly those in the Washington, DC area. Special issues will be brought to the attention of specific media people when considered appropriate. To perform this tasks Advantage Associates, in close consultation with other entities as approved will use personal visits, events, written material, appearances before interested groups and congressional hearing and other techniques and forms of communications as appropriate.
3. Advantage Associates agrees to develop and conduct the program in consultation with Sekar Mahoni Sakti Foundation. It will keep Sekar Mahoni Sakti Foundation informed of US Government, including Congressional, policies, actions and/or announcements that may impact the identified goals also will be kept informed of other significant issues, events or matters of concern occurring outside the government.
4. In providing the services stated herein, Advantage Association would comply with all applicable laws and regulations of the United States, including the Foreign Registration Act.
5. In consideration for these services :
 - A. Sekar Mahoni Sakti Foundation agrees to pay Advantage Associates an annual fee of Five Hundred Thousand US\$ (\$500,000 US Dollar); the first installment in the amount of One Hundred Twenty Five Thousand (\$125,000.00USD) Dollars shall be made prior to the execution of the contract. The remaining

balance of Three Hundred Seventy Five Thousand (\$375,000.00US) Dollars shall be divided into three equal installments which are due and payable and accordingly shall be made on or before the first day of the beginning month of each quarter thereafter in each year as follows : June 1, September 1, and December 1. Payments shall be made in US Dollars by wire transfer to the account of Advantage Associates, Inc. according the wiring instructions as follows : SUNTRUST BANK, Washington, DC USA, ROUTING NUMBER : 55002707, FURTHER CREDIT TO ACCOUNT NUMBER : 209383895 IN THE NAME OF : ADVANTAGE ASSOCIATES, INC., 908 Pennsylvania, Ave. SE, Washington, DC 20003.

A facsimile copy of the order of payment shall be transmitted to Advantage at No. USA (202) 544-4647.

The fee provides for all reasonable expenses associated with this agreement including three (3) round trips each year to Jakarta by personnel to be designated by Advantage Associates for the purpose of getting first hand information and consultation. Advantage Associates agrees to inform Sekar Mahoni Sakti Foundation of events, government policies, announcements and/or other matters that may impact the program.

- B. Advantage Associates agrees to designate a person or office to be the contact with Sekar Mahoni Sakti Foundation and to provide printed and other material and support need by Sekar Mahoni Sakti Foundation to conduct the program.
6. The Contract continues for the term of one (1) year from the date of execution. Provided however, that at the end of six months of operation the contract will be subject to a performance review. If performance is approved the contract will be renewed for a new term of one (1) year from the date of approval. If performance is not approved notice may be given to terminate the contract at the conclusion of the first term. Upon continuance following review the contract will be automatically renewed from year to year until otherwise terminated.
 7. It is understood and agreed that either party may terminate the contract within the first six (6) months of operation with thirty (30) days notice by registered or certified mail or other written communication where receipt is required upon delivery. After six (6) month of operation either party may terminate with sixty (60) days notice as prescribed.
 8. This document is in duplicate, one in Indonesian and the other in English. Both parties intend that both language versions have the same meaning.
 9. If a dispute occurs between Advantage Associates and Sekar Mahoni Sakti Foundation concerning this agreement, both parties will do their best to resolve it with good faith in constructive dialog. In case the dispute cannot be resolve by both parties alone, it will be resolved in accordance with the Indonesian law.

For ADVANTAGE ASSOCIATE, INC

For SEKAR MAHONI SAKTI FOUNDATION



Hon. Bill Sarpalius 3.12.01
Member of Congress (Ret.)



Benny Mandalika 3.12.01
(Chairman)