

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, DC. 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.

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 Carmen Group Incorporated	2. Registration No. 5727
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3. Name of foreign principal The Government of the Democratic and Popular Republic of Algeria	4. Principal address of foreign principal Embassy of Algeria 2118 Kalorama Road, NW Washington, DC 20008
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5. Indicate whether your foreign principal is one of the following:

Foreign government

Foreign political party

Foreign or domestic organization: If either, check one of the following:

<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): _____

Individual-State nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.
Embassy of Algeria

b) Name and title of official with whom registrant deals.
Ambassador Amine Kherbi

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.

8. If the foreign principal is not a foreign government or a foreign political party,

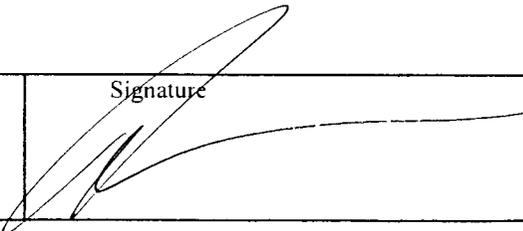
a) State the nature of the business or activity of this foreign principal

b) Is this foreign principal

Supervised by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Owned by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Directed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Controlled by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Financed by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Subsidized in part by a foreign government, foreign political party, or other foreign principal	Yes <input type="checkbox"/>	No <input type="checkbox"/>

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

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
January 13, 2006	David M. Carmen, President & CEO	

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 Carmen Group Incorporated	2. Registration No.
3. Name of Foreign Principal The Government of the Democratic and Popular Republic of Algeria	

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.
See Section 1.01 of the attached contract.

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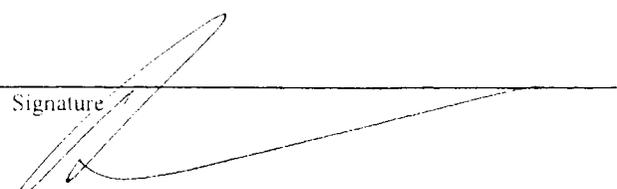
8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

See Section 1.01 of the attached contract.

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.

See Section 1.01 of the attached contract.

Date of Exhibit B January 13, 2006	Name and Title David M. Carmen, President & CEO	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 or public interests, policies, or relations of a government of a foreign country or a foreign political party



**CONSULTING SERVICES AGREEMENT BETWEEN
CARMEN GROUP INCORPORATED
AND**

THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA.

This Consulting Services Agreement, dated as of the 6th day of January, 2006 ("Agreement"), is by and between The Government of the Democratic and Popular Republic of Algeria, a country located on the continent of Africa with its capital in Algiers ("Client"), and CARMEN GROUP INCORPORATED, a District of Columbia corporation, having its principal office at 1301 K Street, NW, Eighth Floor East, Washington, D.C. 20005 ("Carmen Group").

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. SCOPE OF WORK

Section 1.01 Scope. Carmen Group shall provide government relations and strategic advice to Client and at Client's direction will:

1. Coordinate activities within the US designed to project an up-to-date image of Algeria, her government and her role in regional and world affairs, keep US policymakers briefed and current on developments there, and promote Congressional, non-governmental organizational, public and media support for Algeria's legitimate interests and policy goals.
2. Work with members and staff of the Congressional and Executive branches of the US government to facilitate a greater understanding of Algeria's concerns and positions on various issues with an emphasis on legislative and policy proposals of interest to Algeria by, among other things:
 - A. Facilitating official and unofficial visits to Algeria for elected officials, journalists and policy-makers and others with an interest in Algeria.

CARMEN GROUP INCORPORATED
1301 K STREET, NW
EIGHTH FLOOR EAST
WASHINGTON, DC 20005
TEL: 202.462.1300
WWW.CARMENGROUP.COM

- B. Working with interested members of Congress to facilitate the creation of an "Algerian Caucus" of those members with a special interest in Algeria and the region, her people and role in the world and with a desire to strengthen ties between Algeria and her people and the US and her people.
- C. Promoting contacts within targeted US business sectors in consultation with Algeria to develop and increase cooperation between US and Algerian business interests on specific projects.

Section 1.02 Nature of Agreement. This Agreement is a contract for consulting and professional services. As such, there can be no guarantee regarding the outcome or success of any federal, state, or local governmental appropriations, contracting, grant processes or any other initiative undertaken by the Carmen Group pursuant to this Agreement.

Section 1.03 Project Management. David Keene, Managing Associate of Carmen Group, will manage the Carmen Group services being provided to Client. In doing so Mr. Keene will task and oversee other members of the Carmen Group professional staff. Mr. Keene will be available for regular telephone consultation with Algeria's Ambassador to the United States and other designated representatives of the Client, for travel to Algeria when requested under the terms of this Agreement and shall provide monthly written reports of activities undertaken on behalf of Client in furtherance of the goals of this Agreement.

ARTICLE II. TERM AND PROFESSIONAL FEES

Section 2.01 Duration. This Agreement shall be effective on January 1, 2006 and shall continue until December 31, 2006 (the "Term").

Section 2.02 Monthly Fees. Client agrees to pay Carmen Group a flat monthly fee of Twenty-five Thousand Dollars (\$25,000 USD) during the Term. Client shall disburse these fees on a quarterly basis in advance as follows: (1) \$75,000 shall be paid upon execution of this Agreement (this amount shall be in addition to the Client set-up fee set forth in Section 3.02 and the Advanced Expense Payment set forth in Section 3.01); and (2) \$75,000 on or before April 1, 2005; (3) \$75,000 on or before July 1, 2006; and (4) \$75,000 on or before October 1, 2006. Carmen Group will invoice Client for these quarterly fees. All payments made pursuant to this Agreement shall be in currency of the United States of America. Carmen Group shall be under no obligation to perform any work or incur any expenses for which payment has not been received in accordance with this Agreement.

This flat monthly fee covers Carmen Group's labor for work, projects, or initiatives within the Scope of Work set forth in Section 1.01. Carmen Group is available to provide additional

services outside of the scope of work set forth in Section 1.01 upon Client's written request. Prior to beginning any such work, the parties will determine mutually agreeable terms upon which to perform these additional services.

ARTICLE III. EXPENSES

Section 3.01 Out-of-Pocket Expenses. In addition to the fees set forth in Article II, Client will be responsible for expenses incurred by Carmen Group in fulfilling the contract services. Such expenses include postage, courier deliveries, telephone calls, fax usage, overnight deliveries, photocopying, document design and production, local transportation and Client-authorized travel. Travel by Carmen Group employees and agents will be at Client's request and will be economy class for domestic flights that are four (4) hours or less in duration and business class for flights exceeding four (4) hours duration and for all international flights. Hotel accommodations will be at the same level that Client provides to its high government officials and dignitaries. In addition to the payment set forth in Section 2.02, upon execution of this Agreement Client shall deposit with Carmen Group an expense prepayment of Ten Thousand Dollars (\$10,000). At least 10 days prior to each of April 1, 2006, July 1, 2006 and October 1, 2006 Carmen Group will reconcile expenses charged against this prepayment of expenses and inform Client of the amount of the unused portion of the prepayment. No later than on each of April 1, 2006, July 1, 2006 and October 1, 2006 Client will disburse funds to Carmen Group equal to the difference between the unused portion of the prepayment and Ten Thousand Dollars (\$10,000). The intent of this provision is that Client begins each new quarter of this Agreement with a replenished pre-paid expense deposit.

Section 3.02 Client Set-Up Fee. Carmen Group charges a one-time, non-refundable set-up fee of One Thousand Two Hundred Dollars (\$1,200). This fee covers certain internal costs incurred by Carmen Group in establishing and supporting Client's account and includes Federal & State filing fees, telecommunication and teleconferencing access, research & publication charges, and other internal technical support services. The Client Set-Up Fee is due and payable by Client at the time of execution of this Agreement.

ARTICLE IV. PAYMENTS, LATE FEES AND COLLECTION

Section 4.01 Payments. Client shall remit all payments due to Carmen Group hereunder by wire transfer to the account set forth below:

Wire Instructions:

Fidelity & Trust Bank
4831 Cordell Avenue
Bethesda, Maryland 20814

ABA # 055003405
Credit Account #10001402
Carmen Group, Inc.
Tax ID # 52-1905865

Section 4.02 Late Fees. All invoices are due and owing upon receipt. Balances more than 45 days late will be assessed interest at the rate of one and one half percent (1.5%) per month or the maximum legal rate, whichever is less.

Section 4.03 Cost of Collection. In the event that Carmen Group has to collect any past-due sums owed under this Agreement, Client shall be responsible for all costs and expenses associated with such collection efforts, including reasonable attorneys' fees, regardless of whether suit is actually filed.

ARTICLE V. TERMINATION

Section 5.01 Termination. This Agreement may be terminated by either party upon ninety (90) days prior written notice. Fees for a fractional calendar month shall be prorated on a daily basis.

Section 5.02 Accrued Balances. In the event this Agreement is terminated pursuant to Section 5.01, all accrued balances will be due within ten (10) calendar days of termination.

Section 5.03 Return of Prepaid Expenses. Upon termination of the Agreement pursuant to Section 5.01 or expiration of this Agreement and at such time as Carmen Group has paid all outstanding bills for expenses incurred in performing its services under the Agreement, Carmen Group will promptly return to Client any unused portion of expenses prepaid pursuant to Section 3.01.

ARTICLE VI. CONFIDENTIALITY

Section 6.01 Confidentiality. Client shall keep all matters between the parties, including the provisions of this Agreement, confidential and shall not transfer, communicate, or deliver the same to a third party, whether or not for compensation, without the express prior authorization of Carmen Group, or as required by law.

ARTICLE VII. MISCELLANEOUS

Section 7.01 Applicable Law. This Agreement shall be governed and construed in all respects by the laws of the District of Columbia as such laws are applied to agreements between District of Columbia residents entered into and performed entirely in the District of Columbia. The venue for any claim, controversy, or dispute which arises between the parties from or related to this Agreement shall be the Superior Court of the District of Columbia and the parties hereby consent to the jurisdiction of such court and waive any objection to such venue.

Section 7.02 Federal Lobbying Registration and Foreign Agents Registration Act. The Federal Lobbying Disclosure Act, as amended, and any applicable state or local statute, may require Carmen Group to file and maintain registration and activity reports regarding its lobbyists, lobbying activity, and lobbying income earned pursuant to this Agreement. Client acknowledges that, where Carmen Group, in its sole discretion, deems disclosure necessary, it will disclose Client as a recipient of Carmen Group lobbying efforts. Carmen Group intends to fully comply with the Foreign Agents Registration Act (FARA) and any other applicable federal statute or regulation. Client understands and acknowledges that such compliance may require public disclosure of this Agreement and Carmen Group's activities on Client's behalf.

Section 7.03 Interests of the United States Government. At no time shall Carmen Group undertake any action deemed to be against the interest of the United States government or in contravention of the Foreign Corrupt Practices Act or any other U.S. or international law.

Section 7.04 Entire Agreement. This Agreement constitutes the full and entire understanding and agreement between the parties with regard to the subject matter hereof and supersedes any prior or contemporaneous representation, proposal, warranty, understanding, or agreement, written or oral, regarding such subject matter.

Section 7.05 No Partnership, Joint Venture, or Employment Relationship. This Agreement shall not be deemed to create any partnership, joint venture or enterprise, or employment relationship between the parties. The parties understand and agree that Carmen Group is acting as an independent contractor in providing services pursuant to this

Agreement, and that Carmen Group shall pay, to the extent required by law, all applicable taxes and other obligations that result from providing services pursuant to this agreement.

Section 7.06 Assignment. Client may not assign this Agreement, in whole or part, nor may it delegate its duties hereunder without the written consent of Carmen Group.

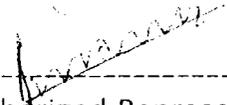
Section 7.07 Amendment and Waiver. This Agreement may be amended or modified only upon the written consent of the authorized representatives of Carmen Group and Client. The obligations of Carmen Group and Client under this Agreement may only be waived by written consent of the party waiving its rights or obligations.

Section 7.08 Successors and Assigns. Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of Client.

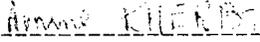
Section 7.09 Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

In Witness Whereof, the authorized representatives of the parties have executed this Agreement as of the date first set forth above.

THE GOVERNMENT OF THE DEMOCRATIC
AND POPULAR REPUBLIC OF ALGERIA

By: 

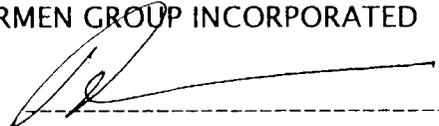
Authorized Representative



Print Name

Title

CARMEN GROUP INCORPORATED

By: 

David Carmen
President & Chief Executive Officer