

Phoenix International  
1303 Vincent Place  
McLean, VA 22101  
Attention: Samir A. Vincent

NEW YORK February 2, 1996

PLEASE SEND YOUR REMITTANCE TO:

PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
1285 AVENUE OF THE AMERICAS  
NEW YORK, NEW YORK 10019-6064

IN ACCOUNT WITH

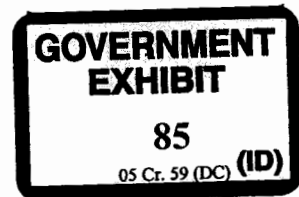
Ref. No 83178

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

Taxpayer ID# 13-1662105

Retainer for professional services to be  
rendered on U.N. Project

\$20,000.00



*Paid 2/13/96  
check # 1956  
Amount \$20,000*

PAYMENT IN US DOLLARS MAY BE MADE BY WIRE TRANSFER TO OUR  
ACCOUNT NO. 4000-8445 AT CITIBANK, N.A., 111 WALL STREET, NEW YORK, NY 10005  
ABA NO. 021-000089  
CHARGES WHICH HAVE NOT BEEN RECORDED AS OF THE ABOVE DATE WILL BE INVOICED LATER  
REMITTANCE COPY

SV 13416

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

1285 AVENUE OF THE AMERICAS  
NEW YORK, NEW YORK 10019-6064  
TELEPHONE (212) 373-3000  
FACSIMILE (212) 737-3990

LLOYD K. GARRISON (1946-1991)  
RANDOLPH E. PAUL (1946-1990)  
SIMON H. RIFKIND (1950-1995)  
LOUIS S. WEISS (1927-1950)  
JOHN F. WHARTON (1927-1977)

RICHARD DEHÉ\*\*  
PHILIPPE JAMBRUN\*\*  
PIERRE PETIT\*\*  
EUROPEAN COUNSEL

WRITER'S DIRECT DIAL NUMBER

(212) 373-3790

WRITER'S DIRECT E-MAIL ADDRESS

tsorensen@paulweiss.com

1615 L STREET, NW  
WASHINGTON, DC 20036-3684  
TELEPHONE (202) 223-7300  
FACSIMILE (202) 223-7480

186, BOULEVARD SAINT-GERMAIN  
75007 PARIS, FRANCE  
TELEPHONE (33-1) 45.49.33.88  
FACSIMILE (33-1) 42.22.64.36

AKASAKA TWIN TOWER  
17-22, AKASAKA 2-CHOME  
MINATO-KU, TOKYO 107, JAPAN  
TELEPHONE (81-3) 3805-0291  
FACSIMILE (81-3) 3905-4540

SUITE 1910 SCITE TOWER  
22 JIANGUOMENWAI DAJIE  
BEIJING, 100004  
PEOPLE'S REPUBLIC OF CHINA  
TELEPHONE (86-10) 5123626-30  
FACSIMILE (86-10) 5123631

13TH FLOOR, HONG KONG CLUB BUILDING  
3A CHATER ROAD, CENTRAL  
HONG KONG  
TELEPHONE (852) 2336-9933  
FACSIMILE (852) 2336-9622

NEALE M. ALBERT  
MITCHELL SCOTT  
ALLAN J. ARFFA  
ROBERT A. ATKINS  
JONATHAN R. BELL  
DANIEL J. BELLER  
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MATTHEW NIMETZ  
KEVIN J. O'BRIEN  
LIONEL H. OLKER\*  
JOHN J. O'NEIL  
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DEBORAH S. PRUTZMAN  
JAMES L. PURCELL  
LEONARD V. QUIGLEY  
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CAREY R. RAMOS  
CARL L. REISNER  
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STUART ROBINOWITZ  
SIDNEY S. RODEWITZ  
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MARILYN SOBEL  
THEODORE C. SORENSEN  
PHILLIP L. SPECTOR\*  
JUDITH R. THOYER  
MARIA T. VULLO  
ALFRED D. YOUNGWOOD

February 4, 1996

\*NOT ADMITTED TO NEW YORK BAR.  
\*\*ADMITTED IN FRANCE ONLY.

Personal and Confidential

Mr. Samir A. Vincent  
President  
Phoenix International  
1303 Vincent Place  
McLean, Virginia 22101

Dear Sam:

This firm is pleased to renew its professional relationship with Phoenix International for the purposes set forth in, and under the terms and conditions contained in, the Letter Agreement between us of April 6, 1993. The billing arrangements under that Agreement having become inapplicable, we shall bill you periodically on the basis of our normal time charges. As agreed, our retainer invoice for \$20,000.00, as an advance payment against those charges, is enclosed.

As before, our professional relationship is with you and your company; and you have assured us that we will be advising, dealing with, meeting with and reporting to only you and your company, not any foreign entities, and that we will not be asked to engage in any action seeking to influence U.S. government officials or policy on this matter. You have also renewed your assurance that you will utilize the services of this firm on any matters following up this assignment. As before, our agreement and all actions and conversations in connection therewith shall remain confidential; and this letter (as distinguished from

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Mr. Samir A. Vincent

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its attachments) is not to be given to either party to the forthcoming negotiations mentioned below.

Attached please find our draft of two documents that you may deem useful in your role as an honest broker independently seeking to expedite an agreement between the United Nations and the Government of Iraq on the implementation of Security Council Resolution 986:

1. A draft letter, which could be presented to the U.N. negotiating team by the Iraqi negotiating team, that is designed to set an appropriate tone for the implementation discussions. This letter, if approved, should, for purposes of emphasis, be addressed to the Secretary General as the highest ranking U.N. official and signed by the highest ranking Iraqi official possible.

2. A memorandum setting forth those improvements in the legal framework for these discussions (in particular, the differences between SC 986 and its predecessor Resolutions) which, in our view, could facilitate an agreement between the parties in these negotiations.

When appropriate, and given sufficient notice, we would be happy to undertake the first draft of a compromise Memorandum of Understanding and Implementation Plan for consideration by the parties, building upon the July 1993 precedent.

We look forward to discussing the attached two documents with you and working with you again on this matter. We appreciate your continued confidence in this firm.

Sincerely,



Theodore C. Sorensen

Attachments

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