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August 19, 1982



Re: The Bull and The Peacock

Dear Ken:

In accordance with our recent telephone conversation, I am enclosing for your information the following material:

- (1) A copy of the November 14, 1978 letter from EDSCI to Dr. Emrani constituting notice of default under the Ministry Contract.
- (2) A copy of my notes of the December 4, 1978 meeting with representatives of the Ministry. As I explained to you, I did not attend that meeting and so my notes are based upon a "debriefing" later that evening of the EDS people who did attend. I apologize for the illegibility of my notes, but hopefully you can decipher enough to understand the flavor of the meeting. If you have problems with any particular parts, I will be happy to translate for you.

Abolhasan

- (3) A copy of the December 5, 1978 letter appointing
 Lloyd Briggs and as the EDSCI representatives appointed pursuant to the December 4, 1978 meeting.
- (4) A copy of the December 16, 1978 letter from EDSCI constituting notice of termination of the Ministry Contract.
- (5) A Memorandum concerning the occasions upon which the U.S. Embassy and its staff indicated that Dadgar's questioning of Paul and Bill would be merely routine.

HUGHES & HILL

Mr. Ken Follett August 19, 1982 Page 2

> (6) A Memorandum concerning the meetings with Dadgar during January and February of 1979.

In addition, with respect to another matter in which you have expressed interest, my "contemporaneous" notes on the events of December 28, 1978, which were based on a telephone conversation with Lloyd Briggs and after the Abolhasan detention of Paul and Bill, indicate that when Dadgar announced the "bail" of approximately \$8,500,000 for Paul and \$4,250,000 for Bill, he pointed out that the total of \$12,750,000 was approximately what EDS had been paid under the Ministry Contract and that if the allegations were true, EDS would not be entitled to the money. While we now know that his computations were not very exact, this appears to be the genesis of the theory that the "bail" was, in effect, an attempt to recoup the payments made to EDS.

Ken, I hope this information is helpful to you. If you have any questions or would like any additional information, please let me know.

Very truly yours,

John E. Howell

JEH:mks Enclosures

ccw/enc: Merv Stauffer