



CARD DIVISION

AMERICAN EXPRESS COMPANY, POST OFFICE BOX 37, NEW YORK, NEW YORK 10016

J. Spivak
CC: NAL

November 6, 1974

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J. F. SPIVAK

Mr. David J. Barnette
Executive Vice President
Optel
Box 2215
Princeton, New Jersey 08540

Dear Dave:

The following represent the basic terms of an agreement between American Express Company (Amexco) and Optel relating to the proposed direct mail offer of an LCD Quartz Watch supplied by Optel:

o Optel will provide an LCD Quartz Watch with date and seconds-on-command in profectus and twenty (20 micron gold plate for an exclusive direct mail offer to American Express Cardmembers.

o Optel assumes all inventory risk which includes customer returns. Optel is also responsible for any lost shipments or returns and for all outgoing and return shipping, handling, and refurbishing charges.

o Optel will bill Amexco \$79.75 for each profectus watch sold and \$86.75 for each gold plated watch sold. On customer returns Optel will credit Amexco for the above respective quantities for each unit returned. Amexco will pay all invoices within forty-five (45) days of the invoice date (date merchandise is shipped to customer).

o Amexco will be responsible for all costs incurred in the creation, production and distribution of the mailing piece and will be responsible for all billing and crediting costs as well as supplying shipping labels to Optel.

o Optel will be responsible for all customer returns up to ninety (90) days after delivery of merchandise to Cardmembers. The cost of disposal of merchandise after this period will be borne by Amexco. The disposal operation will be handled by Optel who will make every attempt to obtain the best resale price possible for the watches.

o Amexco Cardmember names supplied to Optel will be used solely for the marketing requirements of this promotion.

Mr. David J. Barnette

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11/6/74

o Optel agrees to have in stock, subject to inspection, the following inventory:

January 1, 1975	-	5,000
February 1, 1975	-	10,000
March 1, 1975	-	10,000
April 1, 1975	-	10,000

In addition to the above, additional watches will be available at the rate of 10,000 pieces per month subject to 45 day notice.

I hope the points covered above are sufficiently comprehensive and reflect your understanding of this venture. The enclosed copy is for your records. Please sign the original and return it to my attention and do not hesitate to contact me if you have any questions or suggestions.

Sincerely,

Ramiro Medina
Assistant To The
Vice President -
Merchandise Sales

cc: J. A. Lancaster
G. DeSalvio
S. Skoglund
J. Goldberg

AGREED TO BY:

(OPTEL CORPORATION)