1. This is to record the details of an agreement entered into on October 20, 1943 between William F. Friedman, party of the first part, and Leo Rosen, party of the second part, with regard to the development and commercial exploitation of an invention by the party of the first part of a device for authenticating messages dealing with the telegraphic transfer of funds by and among banking and brokerage firms.

2. The basic principles and ideas involved in the invention originated with the party of the first part. For this reason and because his favorable connections with the firms likely to be interested in the invention and/or in the manufacture, purchase, sale, or use of device(s) resulting therefrom, place him in a good position to undertake the promotion of the invention, it is agreed that his interest in this joint venture is 75% of all moneys which may derive from the joint venture.

3. It is agreed that the party of the second part will construct the necessary model or models in his own shop, using his tools and facilities. He will endeavor to reduce the basic ideas of the invention to practice, and it is further agreed that any and all improvements or modifications which may arise from his ideas or work in connection with the development and which may be incorporated in the model or models will become part of the whole pool of ideas to be embodied in the patent application covering the invention. In view of the foregoing, it is agreed that his interest in this joint venture is 25% of all moneys which may derive therefrom.

4. The cost of all materials which may be purchased for the construction of model or models and all other expenditures jointly deemed necessary for the exploitation of the invention, and/or its protection and/or its exploitation will be shared pro rata, in accordance with their respective interests. No charge for the time and/or services of either party will be made in establishing the costs of the development and/or exploitation. However, the cost of such travel and traveling expenses jointly deemed necessary for the promotion of the invention will be chargeable to the promotion costs and will be shared on the pro rata basis mentioned.

5. It is agreed that the invention will first be processed through the normal Signal Corps and War Department Channels before any steps will be taken with a view toward commercial exploitation.

Washington, D.C.
October 22, 1943

William F. Friedman
Leo Rosen

Approved for Release by NSA on 09-06-2013 pursuant to E.O. 13526
1. This is to record the details of an agreement entered into between William J. Friedman, and Leo Rosen, with regard to the development and commercial exploitation of a device for authenticating messages dealing with the transfer of funds by banks and brokerage firms.

2. The basic principles and ideas involved in the invention originated with the party of the first part, for this reason and because his favorable connections with the firms likely to be interested in the invention (use of device) resulted therefrom, his interest in this joint venture is 75% of all money which may derive from the venture.

3. It is agreed that the party of the second part will construct the necessary models or models in his own shop, using his tools and facilities. He will endeavor to reduce the basic ideas of the invention to practice, and it is further agreed that any and all improvements or modifications incorporated in the model or models which may arise from his ideas or work in connection with the development and which may be incorporated in the model or models will become part of the collective pool of ideas to be embodied in the patent application covering the invention. In view of the foregoing, it is agreed that his interest in this joint venture is 25% of all money which may derive therefrom.

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and/or exploitation.

5. It is agreed that the invention will
first be processed through the normal Signal
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any steps will be taken with a view
toward commercial exploitation.

Washington, D.C.
October 22, 1943

WILLIAM F. FRIEDMAN

LEO ROSEN