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May 17, 1949.

PERSONAL ONLY FOR MR. HEINEMAN  
AND TO BE DESTROYED AFTER READING.

*answered by cable  
June 3, 49*

Dear Dannie:

This is a very difficult letter to write but I feel that I must write it and must not put off writing you any longer. I had written you along the lines I am going to write you now before I left New York for Mexico City, but I decided not to send the letter and destroyed it, as I was hoping that I would see you very soon. I know gather from Wilmers that you are planning to return on May 29 and I feel you must have some of this information before you return. This letter will necessarily have to be a disjointed one but I will try to be as coherent as possible.

I have from time to time told you that I do not have any confidence in D.D.'s judgment. I have also told you that he is devious in his ways and not to be trusted and looking after his own purposes and interests. I have told you that others with whom he has dealt even only casually have this impression of him. I must tell you now that his procedures are even worse and more disloyal and devious than I could have believed.

There is no doubt that D.D. has definitely made up his mind that he wants to run Sofina. I do not think he has so much interest in the actual running of Sofina and in the subsidiaries and associated companies. He has no real interest except as they are a part of his purpose. What he really sees is the millions which Sofina has on deposit and the control of which he wants. He knows that he does not have the financial strength to get this control himself. His experiences in England and on the Continent have shown him that it would be difficult for him to get allies among the Sofina Directors. That is why he has formed this close association with Lazard and particularly with André M. They are to be the instrument to acquire certain shares of Sofina and D. D. believes that his relationship with André M. and his partner in New York are sufficiently close that they can run things. They have undoubtedly cooked up a scheme among themselves to get control of Sofina and that is why André M. is now talking with you about buying the Sidro shares and those which the Belgian Government has. I think they believe that with these, although it may be only 10 per cent or thereabout, that they can win some allies on the other side of the water. I do not know just what their plans are specifically as to detail, but what their objective is and that it is to gain control of Sofina is without any question.

About

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About a year ago D.D. had a few drinks when he had lunch with me and became very confidential. He told me that you could not live forever and that when you died there would be an awful scramble to get control of Sofina for there was a lot of money there. He said that he wasn't really paying much attention to his law business any more and "was giving all his attention to Sofina". I did not gather the full implications of what he was saying at the time. I was too much interested in trying to do my job with Mexlight. I told him that I hoped and I thought you would live for a good many years and that it would be a good thing for Sofina if you did, and so far as I was concerned what I desired to do was to help you in any way I could in all the difficulties that you had to deal with. Now with developments that have taken place since, I can see from other things which he said at the time that D.D. was telling me that he was going to be very important and that it would be a good thing for me if I would become his ally and help him. I made it clear to him that money and power were not primary interests of mine and that in what I was going to try to do I was going to try to help you.

Then a number of things came up which showed me how closely D.D. was working with Lazard and remarks which he dropped showed that he was trying to get them interested in Sofina. When the question of using the First Boston came up and D.D. made all this fuss about Lazard it was perfectly obvious that their plans had already matured to a certain degree with respect to Sofina and that he had to fight to the limit out of loyalty to Lazard to get them into the picture. At that time you were in Europe and in telephone conversations with me in Washington D.D. directly made it clear to me that if I did not agree to getting Lazard into the picture it might not be a good thing for me in the long run.

You will recall when I was sick in New York before going to London you told me in great confidence that André M. was interested in buying some Sofina shares and that D.D. did not know anything about it and you did not wish me to mention anything about it. I did not mention it to anyone. Later D.D. said to me that Lazard was interested in getting these shares and was talking to you about it and that you thought that he knew nothing about it, but that there was nothing so far as Sofina was concerned which Lazard would not discuss with him as they worked so closely. When I was in Brussels later they played out the comedy by André M. telegraphing you that ~~he~~ thought he had to tell D.D. about the conversations you were having regarding Sofina stock and asking your agreement to tell D.D. You may remember you mentioned this to me in Brussels, and you replied you had no objection to their telling D.D. This whole procedure shows their disloyalty and deviousness because they were in on this together from the beginning and in sending that telegram to you André M. and D.D. were simply playing through the farce.

I got knowledge that from time to time in meetings of the Board of Amintas D.D. was making some slighting and derogatory observations concerning myself. He was very careful as to the form in which he made them but the people who heard them are intelligent and knew what he was after.

You will recall that during the loan negotiations he made from time to time observations to certain people that I was not going to get this credit for Mexlight and that I was not as hot as I thought I was and as some people thought I was. Of course to me, at the same time, he was saying that I was the only person who could get the loan.

About three months ago and before I left Europe he told someone, whose name I will give you when I see you, that of course it was worthwhile for Mexlight to keep me on until after the long-term loan was secured and the rates were settled because I was useful for that purpose, but that once we had secured them I was no longer needed and would be pushed out. I of course paid no attention to this. Before I left for Europe he repeated the same observation to the same person and added that he and "his friends", meaning of course Lazard, would see that I and some others were out of the picture and that nothing (meaning of course you) would keep me in. I, of course, paid no attention to all this and not to disturb you I did not mention it to you in Europe.

While we had a Board meeting in the Ritz on my return from Europe we were discussing some important points and D.D. was taking a different point of view from the rest of us. He interrupted the meeting and said he wanted to see me alone. We went into the next room and D.D. closed the door and went on to say that I probably did not know it, but that André M. was leaving or had just left for Europe to talk with you about buying this interest in Sofina. D.D. said he thought I ought to know about this, as Lazard and André M., etc., were going to play a very important part in Sofina and of course in Mexlight. I told D.D. that I knew nothing about this interest of Lazard and André M., but that so far as I was concerned if such a group ever controlled Sofina and Mexlight I certainly didn't want to have anything to do with it because I did not trust them. D.D. went on to say that I was making a great mistake in taking such a position as I was doing a wonderful job and they couldn't do without me, but that he thought he ought to tell me about this. There were many things I would have liked to say to him at that time, but I was so disgusted that if I had said what I should have said it would have created a scene, and my wife was in another room and I wanted to get back to the Board meeting to discuss business. What D.D. was really doing was to take me aside and tell me that I had better be good or else I would lose my job when he and Lazard controlled Sofina and Mexlight.

Since my return to Mexico and in the last weeks D.D. has informed a certain person in whom I have full confidence that André M.'s conversations with you are going very well and are coming to a head. He has said that when they have control they will make "a lot of changes", and he referred again to my being useful for the time being but that in another seven months there would be no further use for me and I would be out.

Kay had a few drinks too many some days ago and she said to a person whom you know and whom I will name when I see you and who will undoubtedly give you the information first-hand, that it was time you got out and made way for younger men. She referred to what was going on about the stock purchase. She said that it was time D.D. and "younger men" would run things. Referring to me she said that I had been useful and necessary but that would not last much longer and then I would be out. She said I was not nearly so hot as you and some others thought. She left the impression that she was going to be practically the Number 2 person in the Sofina organization. If these were the maudlin remarks of a woman with too many drinks it would be one thing, but there is no doubt that she was simply reflecting D.D.'s thoughts and plans.

I cannot

I cannot tell you how much it distresses me to tell you these things. I am not saying them to you because of the references to me. You know that I am interested in the Mexlight job and in the interests of Sofina for reasons which go far beyond the money which I get for doing my job for Mexlight, for you know that if I were doing it only for money I would not be doing it. I feel I must tell you these things, because while D.D. is in some ways intelligent he is not really sound or wise or prudent and I am even beginning to doubt his intelligence. His ambitions and his plans to be the big man in Sofina are way beyond his capacities. Even if Lazard gets ten or fifteen per cent of the shares I do not think that they would be able to muster the strength to control the situation, for certainly D.D. does not stand well, and for good reason, with the other Directors of Sofina and I do not know any now who would follow him. André M. is more astute than D.D. and I think just as D.D. is trying to use Lazard, so Lazard is trying to use D.D. because of his relationship with you. There is, however, danger in this position if they get a certain amount of stock, because they may be able to associate themselves with other holders who have the same sinister and certainly not constructive ideas.

I do not know if you are thinking seriously of making it possible for Lazard to get certain shares of Sofina. If you are thinking of it I do not know what the reasons are which might make you consider the idea. I have no concern myself in these matters because they are your concern, but it is so obvious that these people, while professing friendship, are endeavoring to get ready to stick you in the back and to loot Sofina just as soon as they have the chance, either before or after your passing out of the picture.

I have written you because I have felt that you know what is going on. I do not know, however, if you are aware of how definitely D.D. is pursuing this goal and how definitely D.D. and Lazard are working to get control, and certainly, while they profess friendship and even affection for you, they are getting ready to stick you in the back and say derogatory things about you. If it had only been that these things had been said about me I would not have written you this letter, but I cannot bear the thought of your not knowing of the disloyalty of these people who from within would try to destroy all that you have built up so painfully and constructively over the years. It occurred to me that the procedures of these people are not much less sinister than those of Juan Marsh and of the Spanish Government, but in this case it would be being attacked not by a viper in the grass, but by the viper being warmed on one's bosom.

I am not going to pretend to give you advice, but certainly if I were you I would not facilitate in any way Lazard acquiring these shares. What they are after is unquestionable and it is not friendly to you and it is dangerous to Sofina. No matter how far your conversations with André M. may have progressed in this matter, there are any number of ways you can see that the deal is not consummated, if you are actually thinking of this matter favorably.

Again I say I am deeply distressed to have to write you this, but I would be lacking in loyalty and friendship if I did not. You know that that friendship which we have enjoyed for years has been an unselfish and very fine one on both sides and I for one am not going to fail what my duty to my friend makes it necessary for me to do, no matter how much it hurts me or hurts you to write these things.

So far

So far as the correctness of this information I am giving you is concerned, it is not speculation. Most of it I have first-hand from D.D. himself. The rest of it comes from people in whom you can have the same confidence that I have in you and am sure you have in me. There is unfortunately a good deal more that I could say to prove the point of the sinister and dangerous objectives of these people and their complete lack of loyalty and decency in this matter, but I think what I have said is enough to put you on your guard if you are not already. There are other phases of this matter that I will discuss with you when I see you in New York, but I have feared that there might be a possibility of your reaching some decision about letting them have some stock before you leave Europe and that you should have this information.

Please destroy this letter, and I am not keeping a copy.

With all good wishes,

Cordially and faithfully yours,

*Frank*

When you have so many concerns, I feel terrible to write you about people to whom you have given your friendship but human beings can be terrible. My own friendship + loyalty compelled me to write you. I will see you immediately on your return to New York end

May.

The private letters I write you <sup>on</sup> Argentina + Spain you ~~could~~  
 of course show to that ~~somebody~~. *Frank*