

VIA TELETYPE

DISPATCH

CLASSIFICATION

S E C R E T

PROCESSING

PROPOSED	ACTION	ACCOMPLISHED
	MARKED FOR INDEXING	
XX	NO INDEXING REQUIRED	
	ONLY QUALIFIED HEADQUARTERS DESK CAN JUDGE INDEXING	
	ABSTRACT	
	MICROFILM	

TO
CHIEF, SR DIVISION

INFO.
CHIEF, EE

FROM
CHIEF OF STATION, GERMANY

SUBJECT
**CAMOG/REDWOOD/AEVIRGIL
LEGAL ASPECTS OF AEVIRGIL/1 DISSOLUTION**

ACTION REQUIRED - REFERENCES

EGMA 61512, 15 MAR 63

1. REFERENCE ARRIVED WHILE THE LEGAL ADVISOR WAS ENROUTE TO MOB, AND RECOMMENDATIONS CONCERNING THE LEGAL ASPECTS OF DISSOLUTION WERE MADE VERBALLY IN DISCUSSIONS WITH [REDACTED]. THIS DISPATCH WILL PRIMARILY MAKE A MATTER OF RECORD CERTAIN RECOMMENDATIONS AND AGREEMENTS ARRIVED AT.

2. HAVING REVIEWED THE BYLAWS OF THE VEREIN AND THE TRUST AGREEMENT COVERING THE FIXED ASSETS, I FIND NO OBJECTION TO DISPOSING OF THE ASSETS BY GIFT TO APPROPRIATE ORGANIZATIONS. CARTMAN/17 HAS ALSO CONCURRED. AEGIDEON, CAMANTILLA, AND TPLINGO, AMONG OTHERS, CERTAINLY WILL QUALIFY AS SUITABLE RECIPIENTS OF THIS PROPERTY. ALTHOUGH IT SEEMS EXTREMELY UNLIKELY THAT ANY QUESTION COULD ARISE IN THE FUTURE OVER THE MEANS OF DISPOSAL OF THE PROPERTY, I HAVE RECOMMENDED TO [REDACTED] THAT WE CARRY OUT TO THE VERY END THE SYSTEM OF CAREFUL DOCUMENTATION OF SUCH MATTERS BY COVER LETTERS. [REDACTED] WILL PREPARE FOR THE PERMANENT ARCHIVES OF THE VEREIN COPIES OF OSTENSIBLE CORRESPONDENCE BETWEEN THE AMERICAN ATTORNEY REPRESENTING THE UNDISCLOSED FINANCIAL BACKERS AND THE APPROPRIATE REPRESENTATIVE OF THE VEREIN / I BELIEVE THIS IS AEVIRGIL/6/. ONE PRE-DATED LETTER FROM THE ATTORNEY WITH REFERENCES TO "PREVIOUS DISCUSSIONS" WILL ANNOUNCE THAT THE SPONSORS, UNFORTUNATELY, HAVE FINALLY DECIDED THEY CANNOT CONTINUE THEIR FINANCIAL BACKING OF AEVIRGIL/1. THIS LETTER WILL ALSO SUGGEST THAT SINCE THE FIXED ASSETS WOULD BRING LITTLE IN A SALE, THEY MAY BE GIVEN TO SUITABLE ORGANIZATIONS ENGAGED IN WORTH-WHILE NON-PROFIT ACTIVITIES. A REPLY TO THIS LETTER WILL SUGGEST THE ORGANIZATIONS WHICH AEVIRGIL WOULD LIKE TO GIVE THE PROPERTY TO, AND AN ANSWER FROM THE AMERICAN ATTORNEY WILL APPROVE THESE GIFTS. WITH THIS AS A MATTER OF RECORD, AEVIRGIL/1'S ACTIONS IN GIVING AWAY THE ASSETS WILL BE PERFECTLY LEGAL.

DISTRIBUTION -

BY TAPE
2 - SR
2 - EE

BY POUCH
1 - WASH

GROUP 1
Excluded from automatic
downgrading and
declassification

/CONTINUED/

DATE TYPED	DATE DISPATCHED
27 MAR 63	TOR-28 MAR 63
DISPATCH SYMBOL AND NUMBER	
EGOA-19572	
HEADQUARTERS FILE NUMBER	
↓	

CROSS REFERENCE TO

CLASSIFICATION

S E C R E T

ORIGINATING

OFFICE	OFFICER	TYPIST	EXT.
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COORDINATING

OFFICE SYMBOL	DATE	OFFICER'S NAME

RELEASING

OFFICE SYMBOL	DATE	OFFICER'S SIGNATURE
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DISPATCH

3. CARTMEN/17 SHOULD LOGICALLY BE RETAINED FOR AS LONG AS NECESSARY AFTER LEGAL DISSOLUTION TO HANDLE MATTERS WHICH MAY ARISE WITH GERMAN OFFICES OF RECORD AND TAX AUTHORITIES AND TO COLLECT DEBTS, PAY OUT-STANDING OBLIGATIONS, AND HANDLE OTHER DETAILS AS MAY SURVIVE THE LEGAL LIFE OF THE VEREIN. IN THIS CONNECTION, CARTMAN/17 CAN CERTAINLY BE TOLD TO USE AEVIRGIL/176 FOR BUSINESS MATTERS WHERE APPROPRIATE. HOWEVER, AS A PRACTICAL MATTER, IT WOULD NOT BE NECESSARY TO CARRY AEVIRGIL/176 AS A PROJECT FOR ANOTHER YEAR IN ORDER TO DO THIS. UNLESS THERE ARE GOOD OPERATIONAL REASONS TO WANT TO RETAIN AEVIRGIL/176 AS A PROJECT IN HIMSELF, IT WOULD BE CHEAPER TO HAVE CARTMAN/17 USE HIM AS A BOOK AGENT OR OTHERWISE FOR AN APPROPRIATE COMMISSION, IF SUCH SERVICES WERE REQUIRED. IN POINT OF FACT, IT WOULD SEEM THAT REMAINING AEVIRGIL/1 STOCKS COULD BE DISPOSED OF EVEN BEFORE CLOSING DOWN ON 1 JULY.

4. [] HAS SUGGESTED THAT AEVIRGIL/30, AND POSSIBLY OTHERS, WILL BE PAID TERMINATION BENEFITS AND THAT IT WILL BE DESIRABLE TO PAY THESE OVER A PERIOD OF 2 - 5 YEARS RATHER THAN IN A LUMP SUM. IN THE CASE OF AEVIRGIL/30, HE MAY HAVE NEED OF A LUMP SUM AS CAPITAL FOR A NEW PRIVATE VENTURE. CARTMAN/17 IS ALREADY HANDLING LONG-TERM TERMINATION PAYMENTS IN TWO OTHER CASES, AND IT WOULD BE EASY TO SET UP SIMILAR PROCEDURES THROUGH HIM FOR ANY OF THE AEVIRGILS. I SUGGEST THAT IF AEVIRGIL/30 NEEDS LUMP SUM CAPITAL, WE MAKE AN ARRANGEMENT WHEREBY THE AMOUNT WE ARE TO GIVE HIM WILL BE MADE MONTHLY THROUGH A BANK, AND HE CAN THEN USE THIS GUARANTEED PAYMENT AS COLLATERAL FOR A BANK LOAN SINCE THE PRINCIPAL SUM FROM WHICH HIS MONTHLY PAYMENTS WOULD BE MADE COULD BE PUT ON DEPOSIT IN THE BANK AND HANDLED THROUGH CARTMAN/17. BY DOING IT THIS WAY, WE MAY PROTECT OURSELVES FROM THE DANGER OF A FORMER AGENT WASTING A LARGE AMOUNT OF MONEY AND THEN COMING BACK TO US FOR MORE. I THINK HE IS MORE LIKELY TO BE CAREFUL WITH HIS FUNDS IF THE LUMP SUM COMES THROUGH A STRAIGHT COMMERCIAL LOAN, SINCE HE WILL RECOGNIZE THE BANK AS BEING HARDER HEARTED THAN WE ARE LIKELY TO BE.

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