

**SECRET***Office Memorandum* • UNITED STATES GOVERNMENT

EYES ALONE

TO : L [ ]

DATE: 17 February 1949

FROM : Chief, Contact Branch

SUBJECT: Mircea Grossu (Grozu)

*Nicholas Malaxa*

1. Pursuant to your request dated 28 January 1949, we enclose the following documents in the case of Mircea Grossu vs. Nicholas Malaxa:

- (a) Copy of Complaint, Exhibit A
- (b) Summary of the Answer, Exhibit B
- (c) Copy of the Second Counter-claim set forth in the Answer, Exhibit C
- (d) Copy of memorandum from New York Office dated 15 February 1949

**REGISTRY COPY**  
**SECRET**

DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCE METHODS EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2004 2008

EXHIBIT "A"

COMPLAINT

Supreme Court: County of New York

Mircea A. Grossu, <i>MBY</i> Plaintiff	Complaint
against	
Nicholas Malaza, <i>201</i> Defendant	

Plaintiff, by his attorney, Raymond T. Ambruster, complaining of the defendant, alleges as follows:

FOR A FIRST CAUSE OF ACTION

1. That heretofore and on or about the 6th day of November, 1947 in the city and State of New York, plaintiff and defendant entered into an agreement whereby for the period of one year commencing November 6, 1947 plaintiff agreed to cooperate with the defendant in establishing certain industries in the United States of America, and /or Brazil, South America, or in other countries, and defendant agreed to pay to plaintiff, during the term of the agreement, the sum of two thousand (\$2000.00) dollars per month to cover the living expenses of plaintiff and his family in the United States of America for the said period of one year. It was further agreed that if during the said year plaintiff and defendant concluded that no such industries could be established and that their mutual cooperation was no longer required, the defendant would pay to plaintiff the sum of one thousand (\$1000.00) dollars per month for the balance of said year to cover the living expenses of plaintiff and his family while in the United States of America.
2. That between November 6, 1947 and October 18, 1948 plaintiff cooperated with the defendant in attempting to establish certain industries in the United States and Brazil.
3. That on or about the 18th day of October, 1948 the plaintiff and defendant agreed that the industries contemplated to be established could not be established and that there was no further need for cooperation between the parties.
4. That defendant paid to plaintiff the sum of two thousand (\$2000.00) dollars per month pursuant to said agreement up to and including May 31st, 1948.
5. That no payment has been made to plaintiff by defendant from June 1st, 1948, up to and including November 5, 1948, except the sum of five thousand (\$5000.00) dollars.
6. That plaintiff duly performed all the conditions of said contract on his part.
7. That as a result thereof, defendant is now indebted to plaintiff in the sum of four thousand eight hundred (\$4,800.00) dollars, no part of which has been paid, although demand therefor has been duly made.

REGISTRY COPY

FOR A SECOND CAUSE OF ACTION

8. Plaintiff repeats and realizes as fully as though the same were herein specifically set forth the obligations of this complaint in paragraphs hereof marked "1", "2" and "3".
9. That heretofore and on or about and between the 1st day of June, 1948 and the 18th day of October, 1948, plaintiff paid to various people and expended himself certain sums for the use and benefit of defendant, and at defendant's request, in the process of ascertaining whether the said industries could be established as set forth herein, that the sums so expended amounted to three thousand four hundred and ninety two (\$3,492.00) dollars.
10. That in consideration of such payments by plaintiff, defendant promised and agreed to repay to the plaintiff the sums so expended by plaintiff.
11. That no part of said sum of three thousand four hundred and ninety-two (\$3,492.00) dollars has been paid to plaintiff by defendant, although due demand has been made therefor.

FOR A THIRD CAUSE OF ACTION

12. That on or about the 10th day of August, 1948, at the special instance and request of the defendant, and upon defendant's promise to repay to the plaintiff the sum of three thousand (\$3,000.00) dollars, plaintiff paid to one, Mr. V. V. Tilea, the sum of three thousand (\$3,000.00) dollars.
13. That no part of the said sum of three thousand (\$3,000.00) dollars has been paid to plaintiff by defendant, although demand therefor has been duly made. Wherefore, plaintiff demands judgement against the defendant on the first cause of action in the amount of four thousand eight hundred (\$4,800.00) dollars, with interest from November 5, 1948, on the second cause of action for the sum of three thousand four hundred and ninety-two (\$3,492.00) dollars with interest from October 18, 1948 and on the third cause of action for the sum of three thousand (\$3,000.00) dollars, with interest from August 10, 1948, making a total of eleven thousand two hundred and ninety-two (\$11,292.00) dollars, with interest as stated herein together with cost and disbursements of this action.

Raymond T. Armbruster  
Attorney for plaintiff  
522 Fifth Avenue  
New York 18, New York

Verified by Mircea Grossu 27 November, 1948.

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EXHIBIT "A"

SUMMARY OF ANSWER

The answer denies the material allegations of the complaint and sets forth four affirmative defenses and two counter-claims.

The first affirmative defense pleads in substance the defense of the Statute of Frauds.

The second affirmative defense pleads in substance that defendant paid to plaintiff from September, 1947 to September, 1948 as periodical and fixed compensation for services rendered and to be rendered in the United States a total sum of twenty-one thousand (\$21,000.00) dollars; that by reason of the fact that plaintiff is a non-resident alien not engaged in business in the United States, a thirty (30%) percent withholding tax had to be withheld from said compensation and was not withheld, and that as a result thereof, the defendant has incurred liability to the collector of Internal Revenue for plaintiff's account in the sum of six thousand three hundred (\$6,300.00) dollars.

The third affirmative defense pleads in substance that plaintiff was employed by defendant as technical assistant and that defendant duly gave notice to plaintiff on or about June 1, 1948 on the termination of said employment agreement.

The fourth affirmative defense pleads payment.

The first counter-claim is predicated in substance upon the same allegations as set forth as a second affirmative defense.

The second counter-claim alleges that the defendant remitted to plaintiff a total sum of twenty-five thousand nine hundred forty-one (\$25,941.00) dollars to be used by plaintiff pursuant to defendant's instructions, and that plaintiff has failed and refused to account therefor.

Plaintiff's reply denies the material allegations set forth in the aforesaid affirmative defenses and counter-claims, except that plaintiff has admitted that he is a non-resident alien.

EXHIBIT "C"

SECOND COUNTERCLAIM

24. "Alleges that heretofore between September, 1947 and September, 1948, defendant from time to time remitted to plaintiff in addition to the sum of twenty-one thousand (\$21,000.00) dollars paid to plaintiff as compensation for his services alleged in paragraph "20" hereof, sums of money aggregating twenty-five thousand nine hundred forty-one (\$25,941.00) dollars which plaintiff agreed to use for the benefit and use of the defendant pursuant to defendant's instructions and the plaintiff further agreed to account to the defendant therefor.
25. "Alleges that from time to time defendant demanded of the plaintiff that he account to defendant for the sums remitted to plaintiff as aforesaid and that plaintiff exhibit evidence of the use of said funds, but that plaintiff has failed and refused to so account, except as to a sum of one thousand five hundred (\$1,500.00) dollars paid by the plaintiff to one V. V. Tilea and that plaintiff still fails and refuses to so account to the defendant."