

November 1, 1938.

Mr. Samuel D. Leidesdorf,
One Pershing Square,
New York, N. Y.

Dear Sam:

Referring to the letter of October 25th written by Professor Einstein to you, I have caused an inquiry to be made from Mr. Perret of the office of Mr. Henry Escher, who were recommended by the Swiss Consulate as authorities on Swiss law. Mr. Perret was loath to give any definite opinion on any of the questions submitted to him for the reason that he insisted that it was essential to examine any documents and papers relating to the attachment on the Hutten-Str. property. Apparently, in Switzerland the procedure of a creditor, where the debt is liquidated and undenied, is not to go to an attorney to attempt to collect the indebtedness, but rather to a government agency which takes all necessary proceedings to effect collection. Usually, in instances of the sort in question, Mr. Perret informs us, a lien is created by the attachment and this lien cannot be affected by mere transfer of the property.

He informs us, also, that an individual who is not a resident or citizen of Switzerland may own real estate in Switzerland, and that for the purposes outlined in Professor Einstein's letter, the usual procedure in Switzerland is to transfer property to a nominee, as they do not have trust estates.

There is a method under the Swiss law similar to our trusts, which Mr. Perret suggests might serve Professor Einstein's purposes, and that is known as "family foundation." This is an entity similar to our corporate entities her that hold real estate or other property not for gain but rather for administration and investment for the benefit of the founder's family or any member thereof.

In the event of a transfer of the property, the grantee would not be personally liable upon any mortgages existing on the property transferred, but the remedy of the mortgagee would be similar to that of a mortgagee in the United States, that is, the mortgagee would have recourse against the property itself and against the person or persons on the bond and mortgage. Incidentally, no consent must be

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obtained from the mortgagee to the transfer of such property.

In Switzerland it is not necessary for a contract or for a transfer of property to be based upon a consideration. However, Mr. Perret indicated that if the transfer is without consideration and would in effect make the transferor insolvent, then he believed that the bankruptcy act of Switzerland provided a remedy to the creditors.

All of the advice outlined above as given by Mr. Perret is subject to a more complete check of the law by Mr. Perret, as there is involved not only the laws of the Canton in which the property is located, but also of all the federal laws of Switzerland, and the treaty between the United States and Switzerland, the opinion rendered by Mr. Perret being an offhand opinion; however, he seemed quite certain as to the information which he gave to us.

If Professor Einstein has any documents that may have been sent to him by his former wife in connection with this attachment or relating to this real estate, or if such documents can be obtained, Mr. Perret asks that they be submitted to him, together with a letter setting forth in detail the questions which we desire answered, and he will attempt to render a final opinion of the law thereon.

Sincerely,

Herbert

HHM:PT

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