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21 May 1965

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Larry Houston Regarding the HEINE Case

1. On 13 May 1965 [] and I discussed the case with Larry Houston and [] in order that we might agree as to recommendations for the DDP or for the DDCI. We reviewed briefly with Houston the results of our meeting with the attorneys of 11 May 1965 which had already been discussed with him by []
2. [] referred to the very substantial attorneys' fees which had been incurred to date, currently far in excess of the first ante which had originally been discussed when we had decided to go ahead with the defense and had obtained DDP approval for so doing. He asked whether it might not be time to think about a settlement to cut our losses. Houston agreed that settlement might be desirable and or necessary at some stage, but pointed out that this probably was not the time for our side to broach the matter since there is a good possibility that the prosecution may be deterred from proceeding with the case. He felt, therefore, that we should go ahead on the assumption that the case might come to trial, but should be ready for any indication or a request for settlement from the other side. However, should it ever appear to the attorneys that our chances for winning the case were unfavorable, the question of movement to settle would become appropriate.
3. Houston stated that he would brief the DDCI on the case and recommend that we proceed with the defense, approving the expenditures for further investigation as requested by the attorneys. He would also recommend to the DDCI that we approve the indemnification of RAUS for damages incurred in case he should lose the suit.

[]
Chief, SR/O/AC

cc: Office of General Counsel

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