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## People in H&S: Luis Nieto, Mexico

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## PEOPLE IN H&S

Through the tinted glass of his office in the modern Banco Internacional S.A. building, Luis Nieto, partner in charge of the Deloitte, Plender, Haskins & Sells office in Mexico, can look down on the bustle of traffic and humanity of Mexico City's two main avenues, Reforma and Insurgentes.

"Right down there," he says, pointing to a busy intersection, "I once sold polishing cloths to people in cars stopped at the traffic light. My grandfather had given me a piece of faded red flannel from his store, which I had cut up and washed, then sprinkled with the light oil my mother used for her sewing machine. I sold the pieces for 50 centavos to earn some money while I was going to school."

Today, as he relaxes in his many-tiered, modern home built on a steep hillside in the suburb of Tecamachalco, Luis Nieto can look back and savor the events and twists of fortune that have influenced his private and professional life.

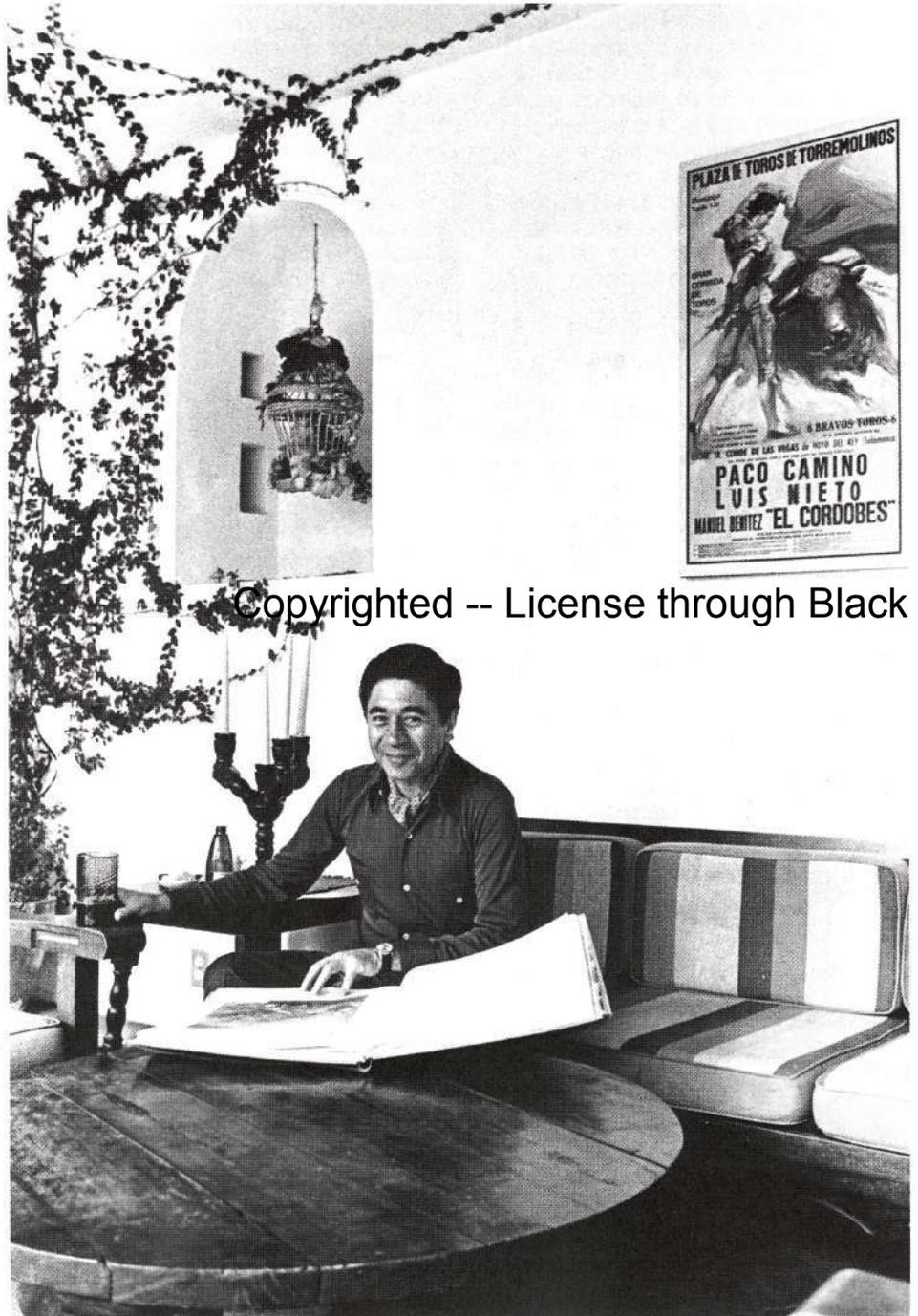
His father was a doctor who, upon receiving his degree at San Luis Potosi University, had been assigned to practice in the town of San Luis de la Paz, an agricultural community some 200 miles northwest of Mexico City. Although the family moved to Mexico City when Luis was six, he has returned to his birthplace often and still regards it as "the most beautiful town in the world."

In addition to being a doctor, Luis' father was an amateur bullfighter, an avocation he gave up as a condition to the acceptance of his marriage proposal. He was also a state champion tennis player. Under this influence, Luis began playing tennis when he was "about three" and while in his early teens he twice advanced to the semi-finals of the Federal District tennis championship, only to lose both times.

Another diversion that influenced Luis' life was the Boy Scouts, for it was during trips into the country that he and his friends learned to smoke pipes, using dry corn leaves for tobacco. Now his pipe is an ever-present part of his day.

Upon completion of secondary school, Luis had decided that he had had enough of studying. It was time to go to work and make some money. Luis' grandfather was a successful businessman who owned "a store that sold everything, and a couple of ranches."

# Luis Nieto...Mexico



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With the warning from his grandfather that "from now on in this company, I am not your grandfather and you are not my grandson," Luis went to work as "assistant to the assistant to the assistant to the assistant storekeeper," which meant that when carloads and truckloads of merchandise came in, Luis was in charge of unloading.

"By the end of the first week," Luis recalls, "I had *really earned* my first 25 pesos. I took the money, maybe about 23 pesos after taxes, and spent 15 pesos for perfume for my mother. I had just enough left for transportation and a sandwich each day for the next week. By the end of the vacation time, I was convinced that it wasn't a good idea to stop studying. Soon after, at a family meeting at grandfather's, I was convinced that I should study accounting. The next day my mother took me to the Escuela Bancaria y Comercial. After three years there I went to the Universidad Nacional Autonoma de Mexico."

Luis Nieto joined Deloitte, Plender, Haskins & Sells in Mexico City in 1950. The partner in charge of the office at the time was A.T.H. (Tony) Thistlethwaite, an English Chartered Accountant, now retired and living in San Diego, California.

Early in 1952, Luis was the first assistant on a local assignment for a subsidiary of Reynolds Aluminum. "Reynolds' treasurer and chief internal auditor came to Mexico City that spring to go over the records," Luis recalls, "and Tony asked me to help them. During the course of our work we became good friends. When they returned in the first half of 1953, I was again assigned to help them. When the assignment was completed, they offered me a job with Reynolds Aluminum in Richmond, Virginia. I received my degree from the the University at the end of July and went to Richmond in August. There I practically lived on ham and eggs until I could learn to speak English.

"I was in Richmond only about five or six weeks when I received a telephone call from the Executive Office in New York. Tony Thistlethwaite wanted me to go to New York to talk with Mr. Arthur Foye, who was managing partner of H&S at the time. H&S had talked to the head of the internal audit department of Reynolds Aluminum about it, and I was given permission to go to New York.

"I took the train from Washington, D.C. to New York, and I remember that when I

walked out of Pennsylvania Station I was so awed by the buildings and the city that I walked all the way down to the H&S office at 67 Broad Street, a distance of several miles.

"Tony was there with Mr. Foye, who is the most amazing man I have ever met in my life, and we talked for a while. Soon it was agreed that, upon completion of a Reynolds audit I was assigned to, I would rejoin H&S in the Los Angeles office. Ever since that first meeting with Mr. Foye there has been a beautiful, incredible relationship between, not only myself, but my family and H&S.

"Malcolm Devore was partner in charge of the Los Angeles office during the six or seven months I was there, and he was a tremendous inspiration to me, both personally and professionally. Since the Korean War was going on, I was, as a Mexican national, almost immediately eligible for the draft, so I returned to DPH&S in Mexico City in the spring of 1954."

In 1959 the Mexican Government established a Federal Tax Auditing Department, granting independent auditors good faith recognition, and requiring of corporations that file annual returns, an additional report from their auditors concerning the payment of federal taxes. Prior to that time the Mexico City office had been doing very little tax work. Luis recognized that because of the new ruling the office could lose clients and urged that a tax department be established.

"Tony Thistlethwaite said, 'Would you be willing to take responsibility for this thing?'" Luis remembers, "and I said, 'Okay, I'll take it.' By early 1960 we were already providing tax services and now our tax practice accounts for a significant part of our gross billings."

Luis became a principal in 1960 and was admitted to the Firm as a partner in 1961, the year Tom Polk succeeded Tony Thistlethwaite as partner in charge. Luis became partner in charge of the Mexico office upon Tom Polk's retirement in 1972.

As he talks about the practice and the plans he has for the future, Luis says, "We are in a very special moment here. We have a tremendous group of young people. We want to keep them, and we want to push their development as true professionals. We feel that we can offer them a tremendous future, with a

deep and honest sense of satisfaction on the economic and social levels, if they are willing to devote themselves. With the help of the other partners and the managers here, I think I have been able to get the feeling across that the future is wide open. What we want to do, what we are going to do, is build a stronger organization, but first of all we want to keep being the best, not necessarily the largest. We need more good people and additional offices, in various cities like Monterrey, the second largest industrial center in Mexico, and Guadalajara, the second largest city. We are already expanding our offices here in Mexico City.

"One of the most important philosophies," Luis continues, "is our policy of open doors. I never close my door. I want everyone in this office to feel free to come in and talk. Over the years there had been something of a language problem between the partner in charge and the staff. The young people didn't feel at ease. That wall is now down.

"One of the goals, for all of us, is to work closer together to develop the practice. We are here to serve Mexico. We have been attracting a very fine type of Mexican clients and hope to continue getting more. A year ago we started an MAS department, and it has been more successful than we had ever anticipated.

"We also have organized a series of training courses and hope to make them available to people from other Spanish-speaking offices. And, because of the advance of our profession in Mexico and the level of education, we think this office will be in a position to be a supplier of well-trained personnel to other Spanish-speaking offices.

"Another thing we stress with our people is that they become truly active in our professional associations and in community activities. We now have seven people who are serving on technical committees of either the Mexican Institute of Public Accountants (similar to the AICPA), or the Colegio, the local society. I have just begun a two-year term as auditor for the Mexican Institute, a post to which I was elected in a national vote, and I also serve as coordinator of two other committees. I am also one of the founders and a member of the board of the Mexican Academy of Tax Studies."

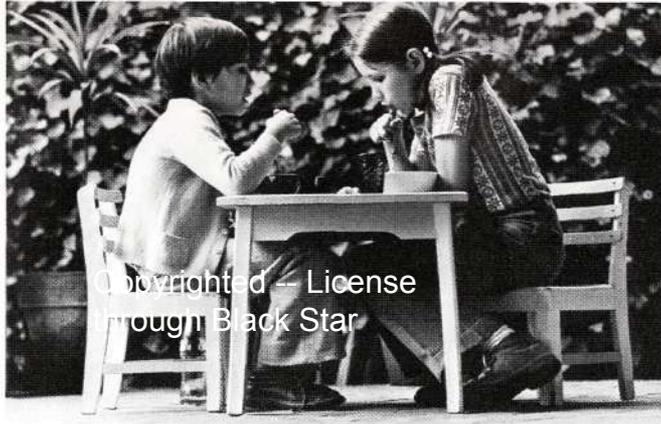
Although Luis is animated and enthusiastic when discussing the office, he is modest about his accomplishments outside the profession. He belongs to the Club de Golf Mexico, where he once had an 11 handicap. The large silver bowls, trophies and plaques in the Nieto study attest to his skill on the fairways. He has made two holes-in-one to date, the first coming on the fourth day he had ever played golf. He is also a member of the Tecamachalco Tennis Club where he enjoys tennis at a more leisurely pace than in his championship years.

Like his father, Luis had also considered becoming a professional bullfighter. As a young man he would attend the testing of the young bulls at his uncle's ranch, a vital step in the raising of "brave bulls." Often, Luis remembers, he would return to the office from a vacation "all banged up" from his encounters in the bull ring. "The last time I fought a bull," says Luis, "was at my bachelor party, a three-day affair with bullfighting and other sports at a cousin's ranch." He is still fond of the sport, however, and attends the bullfights almost every Sunday.

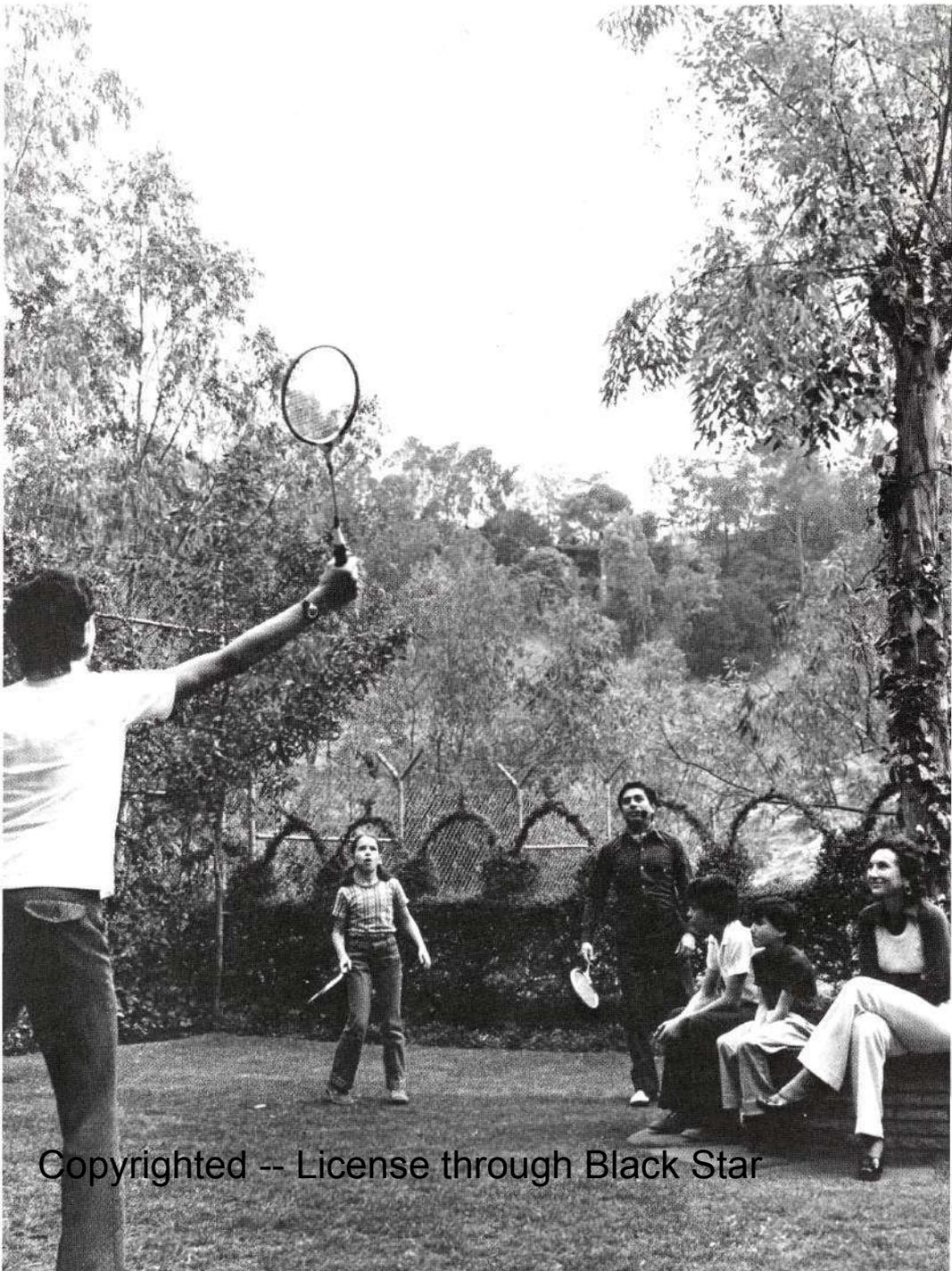
Like his father, Luis' career as a bullfighter ended when he got married. Now, with the traditional closeness of the Mexican family, Luis, his wife Olga and their children, Claudio, Mauricio, Ligia and Gerardo, ranging in age from fourteen down to eight years, spend much of their leisure time together. "We love traveling," explains Luis, "and we try to take an extended trip with the kids every other year. Last year we went up north to Chihuahua and then up the Pacific coast, traveling by jet, train, burro and boat. The kids really enjoyed it. Next year we plan to visit Disneyland."

Luis and Olga Nieto are also fond of entertaining in their showplace home, and since one of his hobbies is cooking, Luis can often be found preparing his specialty, paella, for as many as thirty or forty guests. Another specialty is a pre-dinner cocktail Luis prepares by tenderly splitting a green chili pepper, rolling it between his hands to bring out the "flavor," and putting it in a small clay cup, then adding mescal (made from cactus) and a dash of Maggi, a concentrated beef flavoring. The need for the clay cup is immediately evident, for with one sip it becomes clear that a cup made of less durable material, such as glass or silver, would have melted.

WALTER M. BONE



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