

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

IN THE MATTER OF THE CLAIM OF

SOUTHEASTERN HOME MORTGAGE COMPANY

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-2659

Decision No. CU 3369

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, in the amended amount of \$42,726.37, was presented by SOUTHEASTERN HOME MORTGAGE COMPANY based upon a stock interest and notes and accounts receivable.

Under Title V of the International Claims Settlement Act of 1949 [78 Stat. 1110 (1964), 22 U.S.C. §§1643-1643k (1964), as amended, 79 Stat. 988 (1965)], the Commission is given jurisdiction over claims of nationals of the United States against the Government of Cuba. Section 503(a) of the Act provides that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the amount and validity of claims by nationals of the United States against the Government of Cuba arising since January 1, 1959 for

losses resulting from the nationalization, expropriation, intervention or other taking of, or special measures directed against, property including any rights or interests thereon owned wholly or partially, directly or indirectly at the time by nationals of the United States.

Section 502(3) of the Act provides:

The term 'property' means any property, right, or interest including any leasehold interest, and debts owed by the Government of Cuba or by enterprises which have been nationalized, expropriated, intervened, or taken by the Government of Cuba and debts which are a charge on property which has been nationalized, expropriated, intervened, or taken by the Government of Cuba.

Section 502(1)(B) of the Act defines the term "national of the United States" as a corporation or other legal entity which is organized under the laws of the United States, or of any State, the District of Columbia, or the Commonwealth of Puerto Rico, if natural persons who are citizens of the United States own, directly or indirectly, 50 per centum or more of the outstanding capital stock or other beneficial interest of such corporation or entity.

Evidence of record discloses that claimant was formerly known as Home Mortgage Company of Florida, incorporated in Florida, and in 1963 changed its name to SOUTHEASTERN HOME MORTGAGE COMPANY. An officer of claimant corporation has certified that at all pertinent times more than 50% of the outstanding capital stock of claimant has been owned by United States nationals; and further certifies that to the best of his knowledge and belief all the stockholders of claimant corporation are United States nationals or domestic corporations. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claimant asserts its claim as follows:

Investment in Santa Fe Realty Company	\$13,000.00
Notes Receivable from said company	26,130.96
Open account balances	1,869.04
Accrued interest	1,095.36
Adjustments to Open Accounts	<u>631.01</u>
	\$42,726.37

In our decision entitled Claim of Louis Suskin (Claim No. CU-3527) we held that the Santa Fe Realty Company, and all its properties, were taken by the Government of Cuba on October 15, 1960, and that this type of claim

is compensable to an American national under the facts and conditions set forth therein. We need not again detail here the reasons or the method used in determining the value per share of \$69.7534.

On the basis of the record in this case, the Commission finds that claimant owned 120 shares of stock in Santa Fe Realty Company, since prior to October 15, 1960; and that it suffered a loss in that connection in the amount of \$8,370.41.

The evidence also includes notes receivable from Santa Fe Realty Company to Home Mortgage Company, now SOUTHEASTERN HOME MORTGAGE COMPANY, claimant herein, in the amount of \$23,130.96. Additionally, the record reflects accounts receivable due from said Company to claimant in the amount of \$2,500.05. The Commission finds that the total amount of \$25,631.01 was due claimant from the Company at time of its taking, and that claimant also suffered a loss in this amount within the meaning of Title V of the Act, when said Company was taken by the Government of Cuba.

Claim is also asserted for a Note Receivable from Santa Fe Realty Company, to Home Realty Company, a subsidiary of claimant. The record does not establish that Home Realty Company would not qualify as a claimant within the meaning of Title V of the Act. Accordingly, this item of the claim is denied.

Further, claim was asserted for \$1,095.36, described as accrued interest. The notes receivable did not recite interest, nor does the record reflect the basis for this item, and manner of computation. This item is therefore denied. The Commission has decided, however, that in certification of losses on claims determined pursuant to Title V of the International Claims Settlement Act of 1949, as amended, interest should be included at the rate of 6% per annum from the date of loss to the date of settlement (see Claim of Lisle Corporation, Claim No. CU-0644), and in the instant case it is so ordered.

CERTIFICATION OF LOSS

The Commission certifies that SOUTHEASTERN HOME MORTGAGE COMPANY suffered a loss, as a result of actions of the Government of Cuba, within the scope of Title V of the International Claims Settlement Act of 1949, as amended, in the amount of Thirty-four Thousand One Dollars and Forty-two Cents (\$34,001.42) with interest at 6% per annum from October 15, 1960 to the date of settlement.

Dated at Washington, D. C.,
and entered as the Proposed
Decision of the Commission

DEC 11 1968

Leonard v. B. Sutton

Leonard v. B. Sutton, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, Commissioner

The statute does not provide for the payment of claims against the Government of Cuba. Provision is only made for the determination by the Commission of the validity and amounts of such claims. Section 501 of the statute specifically precludes any authorization for appropriations for payment of these claims. The Commission is required to certify its findings to the Secretary of State for possible use in future negotiations with the Government of Cuba.

NOTICE: Pursuant to the Regulations of the Commission, if no objections are filed within 15 days after service or receipt of notice of this Proposed Decision, the decision will be entered as the Final Decision of the Commission upon the expiration of 30 days after such service or receipt of notice, unless the Commission otherwise orders. (FCSC Reg., 45 C.F.R. 531.5(e) and (g), as amended, 32 Fed. Reg. 412-13 (1967).)