

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

IN THE MATTER OF THE CLAIM OF

HELEN MOORE FOSTER  
JEAN FOSTER BANCROFT  
MARIE LOUISE KREUSSER  
MADALINE FOSTER WYGANT

Claim No. CU-2752

Decision No. CU 2023

Under the International Claims Settlement  
Act of 1949, as amended

Counsel for claimant:

Harold W. Bancroft, Esq.

PROPOSED DECISION

This claim against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, was presented by HELEN MOORE FOSTER, JEAN FOSTER BANCROFT, MARIE LOUISE KREUSSER and MADALINE FOSTER WYGANT in the amount of \$12,900.00 plus accrued interest, and is based upon the asserted ownership and loss of their interest in bonds and an accrual certificate issued by the Consolidated Railroads of Cuba. Claimants have been nationals of the United States since their respective births in the United States.

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 therein 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.

On the basis of the evidence of record, the Commission finds that Estelle Moore, deceased, a national of the United States by birth, was, prior to October 13, 1960 and until her death on December 31, 1961, the owner of two bonds each in the original face amount of 5,000 pesos, issued by the Consolidated Railroads of Cuba, and of an issue known as "3% Cumulative Income Debentures, due October 1, 2001", issued under an Indenture of February 1, 1953, with the United States Trust Company of New York as Trustee. The bonds in question are Nos. RV 931 and RV 932.

The Commission further finds that decedent, Estelle Moore, was prior to October 13, 1960, and until her death, the owner of one Accrual Certificate, in the face amount of 2,900 pesos, issued by the Consolidated Railroads of Cuba, pursuant to a corporate "Recapitalization Plan", effective February 11, 1953. The Accrual Certificate in question is No. NYR 884.

Upon the death of Estelle Moore on December 13, 1961, the claimants assert they became the successors in interest of the bonds under the will of the decedent in the following amounts:

HELEN MOORE FOSTER	8/20
JEAN FOSTER BANCROFT	5/20
MARIE LOUISE KREUSSER	4/20
MADALINE FOSTER WYGANT	3/20

Claimants further assert that they are unable to submit the said bonds and accrual certificate, since the same were lost or destroyed subsequent to the distribution of the assets of the estate.

The record contains a letter dated March 6, 1968 from the United States Trust Company acknowledging the registration of two Consolidated Railroads of Cuba 3% Cumulative Income Debentures, due October 1, 2001 in the amount of 5,000 pesos each and numbered RV 931 and RV 932, and one Accrual Certificate No. NYR 884 for 2,900 pesos, which were issued to Estelle Moore

on March 16, 1953. An additional letter, dated October 25, 1967, from the United States Trust Company, indicates that as of October, 1960, Estelle Moore was still the registered holder of these bonds. An appraisal of the personal property in the Estate of Estelle Moore, dated July 11, 1962, reveals that these bonds and accrual certificate were included therein.

There further appears in the record an affidavit of John C. Strickroot, attorney at law, certifying that his law firm represented the co-executrices of the Estate of Estelle Moore, deceased, and that these bonds and accrual certificate were among the personal effects of the decedent at the time of her death. In addition, an affidavit of the executrix, HELEN MOORE FOSTER, appears herein, stating that the affiant was in possession of said bonds and accrual certificate subsequent to the administration of the Estate of Estelle Moore and that affiant presumes that they were lost, stolen or destroyed. The affiant further states that the debentures and accrual certificate were never, in whole or in part, assigned, hypothecated, pledged or otherwise transferred. An Order of Distribution was entered in the Estate of Estelle Moore, deceased, on February 12, 1964.

On the basis of the evidence of record, the Commission finds that claimants succeeded to the subject bonds and accrual certificate, to the extent of the interests above recited, and that such bonds and accrual certificate were subsequently lost, stolen or destroyed.

The record discloses that Consolidated Railroads of Cuba (Ferrocarriles Consolidados de Cuba) was nationalized by Cuban Law 890, published in the Cuban Official Gazette on October 13, 1960. This corporation was organized under the laws of Cuba and does not qualify as a corporate "National of the United States" defined under Section 502(1)(B) of the Act as a corporation or other legal entity organized under the laws of the United States, or of any State, the District of Columbia or the Commonwealth of Puerto Rico, whose ownership is vested to the extent of 50 per centum or more in natural persons who are citizens of the United States. Therefore, claimants are entitled to file this claim

based upon the bonds and accrual certificate in question which represent a debt of a nationalized enterprise within the purview of Section 502(3) of the Act. (See Claim of Edward R. Smith, Claim No. CU-5001, and Claim of Meyer Lobsenz, Claim No. CU-1005.)

The corporate "Recapitalization Plan" of the Consolidated Railroads of Cuba, adopted by vote of the stockholders of that company on February 11, 1953, provided for the deposit of all shares of 6% Cumulative Preferred stock in the company. In exchange for each share of preferred stock so deposited, the stockholder received the following:

(a) A 3% Cumulative Income Debenture, due in the year 2001, in the face amount of one hundred (100) pesos;

(b) An accrual certificate, without specific maturity date, non-interest bearing, in the face amount of 29 pesos; and,

(c) Cash in the net amount of 5.91 pesos after deduction of Cuban taxes.

As of October 1, 1952, the company owed accrued and unpaid dividends on its 6% Cumulative Preferred stock, and the exchange described above was chosen as the method of recapitalization. The time within which to deposit the preferred shares was extended from time to time, the final date for submission being June 15, 1954. As of that date, approximately 255,813 shares had been deposited out of a total of approximately 303,073 shares outstanding.

A different question is presented, however, with respect to the claimants' accrual certificate in the face amount of 2,900 pesos:

Under the terms of the corporate Recapitalization Plan and of the accrual certificate itself, a new order of priority of payment was created, as to the obligations and preferred stock of the company. First in priority were the debts and other obligations of the company, including bonds. Second were the outstanding shares of preferred stock. Third in order, and on par with each other, were the accrual certificates and the accrued and unpaid dividends on the outstanding preferred stock. The holders of common stock were last in order of priority.

Evidence of record, and other information available to the Commission discloses that the value of the real property, equipment and other assets of the Consolidated Railroads of Cuba exceeded its total obligation on debts, bonds, preferred stock, accrual certificates, and accrued and unpaid preferred stock dividends.

Information available to the Commission establishes that the last payment of interest on the subject debenture was made on April 1, 1959; however, as of that date, the nationalized enterprise owed a total of 14.3% of the face amount of the debenture for prior accumulation of unpaid interest. Claimants therefore, sustained the loss of the face amount of two bonds, the 14.3% prior accumulation of interest, the interest on the bonds from April 1, 1959 to October 13, 1960, the date of nationalization, and the face amount of the accrual certificate.

As to the dollar value of the bonds, the interest, and the accrual certificate, all expressed in pesos, the Commission finds that the peso was valued at par with the dollar on the date of loss.

The Commission further finds that the amount of unpaid indebtedness on claimants bonds on October 13, 1960, the date of loss, was \$11,890.82 including the principal amount of \$5,000.00 on each bond; and interest

due, to and including October 13, 1960 on each bond in the amount of \$945.41; additionally, the Commission finds that the value of one accrual certificate was \$2,900.00 on that date. Consequently, claimants' total loss was in the amount of \$14,790.82.

The Commission has decided 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).

Accordingly, the Commission concludes that the amount of loss sustained by claimant shall be increased by interest thereon at the rate of 6% per annum from October 13, 1960, the date of loss, to the date on which provisions are made for settlement thereof.

It will be noted that the total amount of loss found herein is in excess of the amount asserted by claimant. However, in determining the amount of loss sustained, the Commission is not bound by any lesser or greater amounts which may be asserted by claimant as the extent thereof.

CERTIFICATION OF LOSS

The Commission certifies that HELEN MOORE FOSTER, succeeded to and 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 Five Thousand Nine Hundred Sixteen Dollars and Thirty-Three Cents (\$5,916.33) with interest thereon at 6% per annum from the date of loss to the date of settlement;

the Commission certifies that JEAN FOSTER BANCROFT, succeeded to and 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 Three Thousand Six Hundred Ninety-Seven Dollars and Seventy-One Cents (\$3,697.71) with interest thereon at 6% per annum from the date of loss to the date of settlement;

the Commission certifies that MARIE LOUISE KREUSSER, succeeded to and 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 Two Thousand Nine Hundred Fifty-Eight Dollars and Sixteen Cents (\$2,958.16) with interest thereon at 6% per annum from the date of loss to the date of settlement;

the Commission certifies that MADALINE FOSTER WYGANT, succeeded to and 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 Two Thousand Two Hundred Eighteen Dollars and Sixty-Two Cents (\$2,218.62) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement.

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

26 JUN 1968

*Leonard v. B. Sutton*  
Leonard v. B. Sutton, Chairman

*Theodore Jaffe*  
Theodore Jaffe, Commissioner

*Sidney Feidberg*  
Sidney Feidberg, 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).)

NOTICE TO TREASURY: The above-referenced securities may not have been submitted to the Commission or if submitted, may have been returned; accordingly, no payment should be made until claimant establishes retention of the securities or the loss here certified.