

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

IN THE MATTER OF THE CLAIM OF

MODEL, ROLAND & COMPANY, INC.

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU -2811

Decision No. CU
3919

Counsel for claimant:

Strasser, Spiegelberger,
Fried, Frank & Kampelman
by S. Bobo Dean, 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 MODEL, ROLAND & COMPANY, INC., originally in the amount of \$50,000.00 and subsequently reduced to \$5,000.00, based upon asserted loss of stockholder interest in the Cia. Antillana de Acero, S.A. (Antillian Steel Corporation) because of its nationalization 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.

An officer of the claimant corporation has certified that the claimant was organized in the State of Delaware. The record shows that at all times pertinent to this claim, more than 50% of the outstanding capital stock of the claimant has been owned by United States nationals.

Claimant states that ten percent of its stockholder interest is presumed to be owned by nonnationals of the United States. The Commission holds that claimant is a national of the United States within the meaning of Section 502(1)(B) of the Act.

In our decision, entitled the Claim of Independence Foundation (Claim No. CU-2152), which we incorporate herein by reference, we held that the Cia. Antillana de Acero, S.A. was intervened by the Government of Cuba on March 25, 1960 under Resolution No. 1 of the Cuban Ministry of Finance; and that this type of claim is within the purview of Section 503(a) of the Act under the facts and conditions set forth therein. We need not again detail here the reasons or the method used in determining the value of \$100.00 per share of stock.

On the basis of evidence of record, in the instant case the Commission finds that claimant's predecessor in interest, the International Resources Fund, a national of the United States within the meaning of Section 502(1)(B) of the Act, had been the owner of 500 shares in Cia. Antillana de Acero, S.A. from a time prior to March 25, 1960, the date when the claim arose, to November 23, 1960, the date when such shares of stock were sold to claimant for \$5,000.00.

Section 507 of the Act provides, as to assignment of claims, that

(b) The amount determined to be due on any claim of an assignee who acquires the same by purchase shall not exceed (or, in the case of any such acquisition subsequent to the date of the determination, shall not be deemed to have exceeded) the amount of the actual consideration paid by such assignee, or in case of successive assignments of a claim by any assignee.

The Commission further finds that claimant, upon his purchase of the securities subsequent to the date of loss, succeeded to the loss sustained by the assignor of the claimed securities, but concludes that it is limited to the amount of the actual consideration paid by the claimant, the assignee, which amount in the instant case is \$5,000.

(See Claim of the Estate of Julius S. Wikler, Deceased, Claim No.

CU-2571.)

CU-2811

In view of the foregoing, the Commission finds that the claimant, MODEL, ROLAND & COMPANY, INC., comes within the terms of the Independence Foundation decision; and that it suffered a loss in the total amount of \$5,000.00 within the meaning of Title V of the Act. Further, the Commission finds that the amount of loss sustained shall be increased by interest thereon at the rate of 6% per annum from November 23, 1960, the date on which claimant acquired this claim, to the date on which provisions are made for the settlement thereof. (See Independence Foundation, supra.)

CERTIFICATION OF LOSS

The Commission certifies that MODEL, ROLAND & COMPANY, INC. 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 Dollars (\$5,000.00) with interest at 6% per annum from November 23, 1960 to the date of settlement.

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

SEP 24 1969

Leonard v. B. Sutton

Leonard v. B. Sutton, Chairman

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

Sidney Freidberg, Commissioner

NOTICE TO TREASURY: The above-referenced securities ~~securities~~ ~~Commissioner~~ 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 for the loss here certified.

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].)