

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

IN THE MATTER OF THE CLAIM OF

ROE JASEN  
EDITH TIETZ  
HERMAN TIETZ

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. G-2584  
G-2594  
G-2596  
Decision No. G-3217

PROPOSED DECISION

These claims in the aggregate amount of \$18,338,397.00 against the Government of the German Democratic Republic, under Title VI of the International Claims Settlement Act of 1949, as amended by Public Law 94-542 (90 Stat. 2509), are based upon the loss of 36 parcels of improved and unimproved real property in East Berlin, Weimar, Plauen, and Gera, German Democratic Republic.

The evidence of record in these claims establishes that claimants ROE JASEN, EDITH TIETZ and HERMAN TIETZ became citizens of the United States on June 17, 1946, August 13, 1946, and January 29, 1944, respectively.

Under section 602, Title VI of the Act the Commission is given jurisdiction as follows:

"The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims by nationals of the United States against the German Democratic Republic for losses arising as a result of the nationalization, expropriation, 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 whether such losses occurred in the German Democratic Republic or in East Berlin. . ."

The evidence of record in these claims includes the materials filed under Title II of the War Claims Act of 1948, as amended, in Claim Nos. W-16480 and W-11743, as well as the Proposed and Final Decisions No. W-21536 issued under the War Claims program. The evidence of record also includes a report from the Commission's West German field office.

These claims are based upon the loss of properties in East Berlin, Plauen, Gera and Weimar owned individually or through various companies by Betty Tietz, a United States citizen from her birth in 1864 and George Tietz, a United States citizen from August 6, 1946. Betty Tietz and George Tietz were members of the family which controlled "Hermann Tietz," the largest privately-owned chain of department stores in Europe before 1933. In addition to department store properties, the family held interests in other pieces of real estate throughout pre-war Germany.

The properties which are the subject of these claims were owned either individually by Betty Tietz or by the following companies in which ownership interests were held by Betty Tietz and George Tietz, as well as by claimant EDITH TIETZ, who, according to the evidence of record, held a 12% ownership interest in her own right in one of the companies listed below:

<u>Firm</u>	<u>Betty Tietz'</u> <u>Interest</u>	<u>George Tietz'</u> <u>Interest</u>
Grundstuecksgesellschaft Wittenbergplatz A.G.	30%	23.33%
Brandenburgische Grundwert A.G.	50%	25%
Deutsche Boden A.G.	98.33%	.43%
Grundstuecksgesellschaft Nord-Ost G.m.b.H.	30%	23.33%
Handelsstaette Gera A.G.	39.23%	13% (Edith Tietz: 12%)
Mechanische Feinweberei Adlershof A.G. and Mechanische Feinweberei Adlershof G.m.b.H.	30%	23.33%
	30.015%	23.31%

In 1934, Betty Tietz and the other members of the Tietz family were forced to transfer most of their assets to Hertie, a corporation formed in 1933 for the purpose of aryanizing the Hermann Tietz complex. The Commission has held in the Claim of MARTHA TACHAU, Claim No. G0177, Decision No. G-1071, that the loss of property as a result of the measures of the Nazi regime will not be considered by the Commission to have cut off all rights of the original owners or their heirs, and that the persecuted owners retained a beneficial interest in the subject property.

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The evidence of record establishes that four of the seven companies in which Betty and George Tietz had held ownership interests were taken by the German Democratic Republic on May 10, 1949, pursuant to a decree taking over assets of war criminals and Nazi activists. These four companies were Grundstuecks-gesellschaft Wittenbergplatz A.G., Brandenburgische Grundwert A.G., Deutsche Boden A.G., and Grundstuecksgesellschaft Nord-Ost G.m.b.H. As no evidence has been submitted to establish the taking of the other three companies listed above, the Commission will presume that they were taken by the same decree of May 10, 1949. With respect to the properties which remained in the name of Betty Tietz, the evidence indicates that these properties were taken on October 23, 1952, pursuant to the decree of December 18, 1951, taking under administration foreign owned assets in the German Democratic Republic.

In determining the value of the subject properties, the Commission considered the 1931 and 1935 tax assessed values, descriptions of the properties provided by the Commission's field office, information of war damage to the properties, and the general increase in land values in Europe. The properties listed below as numbers 1, 2, 3, 4, 6, 7, 9, 19, 21, and 22 were established to have suffered partial or total destruction during World War II. Although claimants received compensation for war damage to only two of their properties in the War Claims program, the Commission herein is not authorized to grant awards for the damage to the other properties since Public Law 94-542 authorizes compensation only for that property actually surviving World War II and taken by the German Democratic Republic.

The Commission notes that, in the War Claims program, the Commission had found that the 30% interest held by Betty Tietz in the Hermann Tietz partnership was the interest of a silent partner. Under German law, a silent partner is a creditor of the partnership and does not hold an ownership interest in the assets of the

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partnership. Since, in the War Claims Program, the loss of intangible assets, such as debts, was not compensable, claimants were not entitled to compensation for damage done to properties owned by companies with which Betty Tietz had only a creditor relationship, rather than an ownership interest. Under the current Act, however, the debts of a nationalized enterprise are compensable, and therefore the loss of Betty Tietz' interest in properties in which the partnership held an interest is compensable.

The list below details the properties which are the subject of the claim, their owner, and their value at the time they were taken by the German Democratic Republic, after the subtraction of encumbrances and war damages. With respect to property #1, the evidence of record establishes that a mortgage had encumbered this property at the time it was lost under the Nazi regime. Evidence provided by the Commission's field office indicates that property #9 was owned only to 4/5 by the Handelsstaette Gera A.G. With respect to property #22, a letter from the accountant Warner F. Apt contained in the War Claims file indicates that this property had been owned by Deutsche Boden A.G., but that it was transferred to Betty Tietz pursuant to the 1934 agreement and therefore was solely owned by her at the time it was taken by the German Democratic Republic.

<u>Property</u>	<u>Type of Property</u>	<u>Post-War Value</u>
<u>Grundstuecksgesellschaft Wittenbergplatz A.G.</u>		
1. East Berlin, Brunnen-19/21/23 and Veterane-strasse 28	Department stores	\$ 91,000.00
<u>Brandenburgische Grundwert A.G.</u>		
2. East Berlin, Leipziger-Strasse 50/50a Jerusalemstrasse 36/39 Krausenstrasse 44/45 Leipzigerstrasse 46/49 Krausenstrasse 46/49 Leipzigerstrasse 45 Krausenstrasse 50/51 Jerusalemstrasse 4	"	3,259,428.00

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<u>Property</u>	<u>Type of Property</u>	<u>Post-War Value</u>
<u>Deutsche Boden A.G.</u>		
3. East Berlin, Alexanderplatz 57/50 am Koenigsgraben 1	Department stores	\$918,571.00
4. East Berlin, Frankfurter Allee 6/7 Koenigsbergerstrasse 21	"	299,859.00
5. Plauen, Postplatz 5/6 Forststrasse 5/7/9 Bahnhofstrasse 6	"	670,071.00
<u>Grundstuecksgesellschaft Nord-Ost G.m.b.H.</u>		
6. East Berlin, Andreasstrasse 46 East Berlin, Grosse Frankfurterstrasse 113 East Berlin, Blumenstrasse 50/51	"	68,982.00
7. East Berlin, Blumenstrasse 52/53	Apartments	9,294.00
<u>Handelsstaette Gera, A.G.</u>		
8. Gera, Sorge 23/25/27 Humboldtstrasse 10	Department store	421,547.00
9. Weimar, Markt 3/4/5 Kaufstrasse 4/6/8	"	28,571.00
10. Gera, Zeppelin Strasse 26	Warehouse	29,762.00
11. Weimar, Buchfahrstrasse 13	Apartments	9,268.00
12. Weimar, Buchfahrstrasse 15	"	8,922.00
13. Weimar, Buchfahrstrasse 19	"	18,057.00
14. Weimar, Buchfahrstrasse 21	"	16,954.00
15. Weimar, Kurtstrasse 8	"	21,666.00
<u>Betty Tietz</u>		
16. East Berlin, Markgrafenstrasse 28	Offices	47,620.00
17. East Berlin, Graudenzersstrasse 16	Apartments	24,800.00
18. East Berlin, Graudenzersstrasse 15	"	23,250.00
19. East Berlin, Frankfurter Allee 7	"	37,625.00

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<u>Property</u>	<u>Type of Property</u>	<u>Post-War Value</u>
20. East Berlin, Gubener strasse 60	Apartments	\$24,733.00
21. East Berlin, Gubenerstrasse 61	"	11,039.00
22. East Berlin, Graudenzerstrasse 14	"	6,200.00
<u>Mechanische Feinweberei Adlershof A.G. and Mechanische Feinweberei Adlershof G.m.b.H.</u>		
<u>East Berlin-Adlershof</u>		
23. Roonstrasse 6/7	Factory	\$1,656,000.00
24. Volkswohlstrasse 145/7	Apartments	
25. Volkswohlstrasse 149	"	
26. Radickestrasse 44/48	Offices	
27. Adlergestell 261 Adlergestell 1/3/5 Volkswohlstrasse 114/116	Apartments	
28. Abtstrasse 7/9 Posadowsky 7 Volkswohlstrasse 118/120/122	"	
29. Abtstrasse 8 Gellerstrasse 7/29 Radickestrasse 39/40	"	
30. Volkswohlstrasse 121/27	"	
31. Radickestrasse 42/3	"	
32. Gellertstrasse 16/30 Schneckenburgerstrasse 4/6	"	
33. Volkswohlstrasse 134/136	"	
34. Radickestrasse 1/2a	"	
35. Adlergestell 267/9	"	
36. Roonstrasse 1/5	Unimproved land	

Accordingly, the value of the interests in the subject properties lost by Betty Tietz and George Tietz are as follows:

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<u>Owner</u>	<u>Total Loss</u>	<u>Betty Tietz'</u> <u>Interest</u>	<u>George Tietz'</u> <u>Interest</u>
Grundstuecks- gesellschaft Wittenbergplatz A.G.	\$ 91,000.00	\$ 27,300.00	\$ 21,230.00
Brandenburgische Grundwert A.G.	3,259,428.00	1,629,714.00	814,857.00
Deutsche Boden A.G.	1,888,501.00	1,856,963.00	8,120.00
Grundstuecks- gesellschaft Nord-Ost G.m.b.H.	78,276.00	23,482.00	18,261.00
Handelsstaette Gera A.G.	554,747.00	217,627.00	72,117.00 (Edith Tietz: 66,569.00)
Betty Tietz	175,267.00	175,267.00	
Mechanische Feinweberei Adlershof A.G. and Mechanische Feinweberei Adlershof G.m.b.H.	<u>1,656,000.00</u>	<u>496,800.00</u>	<u>386,344.00</u>
<u>Totals:</u>	\$7,703,219.00	\$4,427,153.00	\$1,320,929.00 (Edith Tietz:) \$66,569.00

Betty Tietz died in 1947, leaving 1/3 of her estate to her son George Tietz. George Tietz died in 1953. Under his will, his wife, claimant EDITH TIETZ, received 75% of his estate, and his children ROE JASEN and HERMAN TIETZ each received 12 1/2% of his estate. Accordingly, the value of the loss of the interests owned individually by George Tietz, as well as the value of those inherited from Betty Tietz, totalled \$2,796,499.00. Claimant EDITH TIETZ is therefore entitled to an award of 75% of the total, or \$2,097,375.00, and ROE JASEN and HERMAN TIETZ are entitled to awards in the amount of \$349,562.00 each under section 602 of the Act. EDITH TIETZ is also entitled to a further award of \$66,569.00 for her own interests taken by the German Democratic Republic.

As the claimants inherited the right to claim for a portion of the subject properties from George Tietz, they will share in a consolidated award for that portion of the property:



Section 606 of the Act provides:

"With respect to any claim under section 602 of this title which, at the time of the award, is vested in persons other than the person by whom the original loss was sustained, the Commission shall issue a consolidated award in favor of all claimants then entitled thereto, which award shall indicate the respective interests of such claimants therein, and all such claimants shall participate, in proportion to their indicated interests, in any payments that may be made under this title in all respects as if the award had been in favor of a single person."

The Commission has concluded that in granting awards on claims under section 602 of Title VI of the Act, for the nationalization or other taking of property or interests therein, interest shall be allowed at the rate of 6% per annum from the date of loss to the date of settlement. (Claim of GEORGE L. ROSENBLATT, Claim No. G-0030, Decision No. G-0100 (1978)).

#### A W A R D S

Claimant, EDITH TIETZ, is therefore entitled to an award in the amount of Sixty-Six Thousand Five Hundred Sixty-Nine Dollars (\$66,569.00), plus interest at the rate of 6% simple interest per annum from May 10, 1949 until the date of the conclusion of an agreement for payment of such claims by the German Democratic Republic.

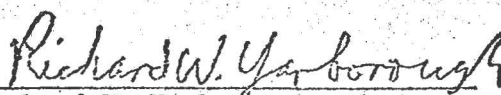
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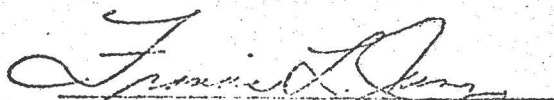
A consolidated award is made in the amount of Two Million Seven Hundred Ninety-Six Thousand Four Hundred Ninety-Nine Dollars (\$2,796,499.00) with interest on \$2,621,232.00 from May 10, 1949 and interest on \$175,267.00 from October 23, 1952 until the date of the conclusion of an agreement for payment of such claims by the German Democratic Republic, as follows:

EDITH TIETZ	75%	\$2,097,375.00
ROE JASEN	12 1/2%	\$ 349,562.00
HERMAN TIETZ	12 1/2%	\$ 349,562.00

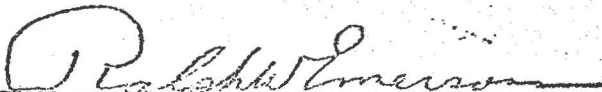
Dated at Washington, D.C.  
and entered as the Proposed  
Decision of the Commission.

FEB 18 1981

  
Richard W. Yarborough, Chairman

  
Francis L. Jang, Commissioner

This is a true and correct copy of the decision of the Commission which was entered as the final decision on MAR 25 1981

  
Ralph W. Emerson, Commissioner

  
Executive Director

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.)