

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

IN THE MATTER OF THE CLAIM OF

SOPHIE RANGLACK

Under the International Claims Settlement
Act of 1949, as amended

Claim No. G-3223

Decision No. G-2374

Counsel for Claimant:

Dennis K. Poole, Esquire

PROPOSED DECISION

This claim in the amount of 18,350.40 Deutsche Marks 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), is based upon the asserted loss of a house and lot at Lobitzweg 56a in Berlin-Koepenick, a 5,000-mark mortgage on a house at Stromstrasse 23 in Berlin-Bohnsdorf, and a bank account at the Berliner Stadtkontor in East Berlin.

The record indicates that claimant became a United States citizen on May 16, 1957.

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 . . ."

With respect to the portion of this claim based upon the asserted loss of a house and lot in Berlin-Koepenick and a mortgage on a house in Berlin-Bohnsdorf, the record establishes that claimant became the owner of this property through inheritance after the death of her father in the German Democratic Republic on June 3, 1968. However, the record contains no evidence establishing that either the real property or the mortgage has been subjected to an action amounting to a "nationalization, expropriation or other taking by the German Democratic Republic", as defined by section 602 of the Act, above quoted. On the contrary, the record indicates that both the real property and the mortgage are being privately administered, or managed, by an agency in the German Democratic Republic, and that the profits realized from the rental of the real property and payments of interest on the mortgage are available to the claimant for her use within the German Democratic Republic for certain defined purposes. The record further indicates that the repository of these profits is the bank account at the Berliner Stadtkontor in East Berlin for which a claim has also been asserted herein.

Based upon the foregoing, and having considered the entire record, the Commission therefore finds that the real property in Berlin-Koepenick and the mortgage on real property in Berlin-Bohnsdorf claimed for herein have not been nationalized, expropriated or otherwise taken by the German Democratic Republic, within the meaning of section 602 of the Act. As such, the Commission is without authority under the Act to give favorable consideration to this portion of claimant's claim. Accordingly, this portion of the claim must be and it is hereby denied.

With respect to the portion of this claim based upon the asserted loss of a bank account at the Berliner Stadtkontor in East Berlin, the evidence submitted by the claimant indicates that this account was set up to hold on deposit the rents and interest from claimant's real property and mortgage in the German Democratic Republic, as discussed in the foregoing. The record also contains a letter dated March 29, 1973, from the Berliner Stadtkontor to claimant regarding the status of her account. From this letter it is clear that, although claimant may not be able to transfer the account funds out of the German Democratic Republic, she is permitted to make use of those funds for certain defined purposes within the German Democratic Republic's territorial boundaries, should she choose to do so.

Currency regulations in the German Democratic Republic, as in many other countries, place limitations upon the free use of bank accounts, allowing withdrawal within the German Democratic Republic in certain amounts for certain specified purposes, but prohibiting the conversion of the funds to foreign currency. An account subject to such regulations is termed a "blocked account."

The Commission has held that it is a well established principle of international law that such blocking of a bank account is an exercise of sovereign authority which does not give rise to a compensable claim (Claim of MARTIN BENDRICK, Claim No. G-3285, Decision No. G-0220).

While the fact of the blocking of an account may cause non-residents of the German Democratic Republic some hardship, the Commission concludes that such action does not constitute a nationalization, expropriation or other taking as required for compensation under section 602 of the Act.

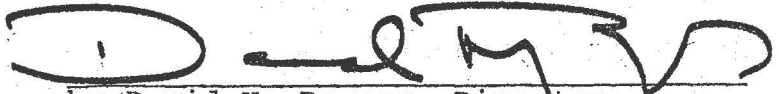
Accordingly, this portion of the claimant's claim must also be and hereby is denied.

The Commission finds it unnecessary to make determinations with respect to other elements of this claim.

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

JUN 25 1980

For Presentation to the Commission



by David H. Rogers, Director
German Democratic Republic Claims
Division

This is a true and correct copy of the decision
of the Commission which was entered as the final
decision on SEP 10 1980


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, a Final Decision based upon the Proposed Decision will be issued upon approval by the Commission any time after the expiration of the 30 day period following such service or receipt of notice. (FCSC Reg., 45 C.F.R. 531.5 (e) and (g), as amended.)

At any time after Final Decision has been issued on a claim, or a Proposed Decision has become the Final Decision on a claim, but not later than 60 days before the completion date of the Commission's affairs in connection with this program, a petition to reopen on the ground of newly discovered evidence may be filed. (FCSC Reg., 45 C.F.R. 531.5 (1), as amended.)