

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

IN THE MATTER OF THE CLAIM OF

INTERNATIONAL SCHOOLS COMPANY  
OF LATIN AMERICA

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU -0641

Decision No. CU 3519

Counsel for claimant:

James E. O'Brien, 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 INTERNATIONAL SCHOOLS COMPANY OF LATIN AMERICA in the amount of \$38,623.29. The claim is based upon the asserted loss of the assets of claimant's branch office in Cuba when it was intervened by the Government of Cuba.

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.

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.

Claimant corporation by an authorized officer has certified that the claimant was organized in Delaware and that at all times between April 10, 1916 and presentation of this claim on September 23, 1965 more than 50% of the outstanding capital stock of the claimant was owned by United States nationals. It further appears from the record that as of May 29, 1961, over 99% of the outstanding capital stock of the claimant corporation was owned by persons residing in 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.

The evidence of record includes letters to claimant dated May 27 and July 17, 1961 from Eduardo Soto, the manager of its Cuban branch office, relating the circumstances of the intervention by the Government of Cuba; agents' monthly reports and branch office statements of account for the months of January, February, March, and April 1961; bank statements from Banco Nacional de Cuba, the latest entry of which shows a balance of 19,662.81 pesos to claimant's account on April 27, 1961; and 1,259 student account cards indicating payments made and the balance due from each, the latter totalling 133,227.25 pesos.

On the basis of the entire record, the Commission finds that claimant operated a branch office in Cuba which was intervened by the Government of Cuba within the meaning of Title V of the Act on May 26, 1961, at which time its assets consisted of certain office furniture and equipment, 1,110.52 pesos in cash in the office, 24,652.45 pesos in a bank account, and 133,227.25 pesos in accounts receivable (the equivalent of \$1,110.52, \$24,652.45, and \$133,227.25, respectively). Although the most recent bank statement of record shows a balance of 19,662.81 pesos as of April 27, 1961, correspondence from the manager of claimant's Cuban branch describing the intervention on May 26, 1961 and an inventory taken by the interveners indicates a total credit to the claimant's account on that date of 24,652.45 pesos. The amount of \$1,292.44, stated by claimant to have been the net book value of the office furniture and equipment of its Cuban branch at the time of intervention, is found to constitute a fair and reasonable valuation of such property at that time.

The Commission concludes that claimant suffered a loss in the total amount of \$160,282.66 as a result of the intervention of its property by the Government of Cuba on May 26, 1961.

It will be noted that the total amount of loss found herein is in excess of the amount asserted by claimant, which had calculated its loss on the basis of a devalued peso. 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.

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), and in the instant case it is so ordered.

CERTIFICATION OF LOSS

The Commission certifies that INTERNATIONAL SCHOOLS COMPANY OF LATIN AMERICA 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 One Hundred Sixty Thousand Two Hundred Eighty-two Dollars and Sixty-six Cents (\$160,282.66) with interest thereon at 6% per annum from May 26, 1961 to the date of settlement.

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

**FEB 19 1969**

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

*Theodore Jaffe*  
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Theodore Jaffe, Commissioner

*Sidney Freidberg*  
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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).)