

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

IN THE MATTER OF THE CLAIM OF

FREDERICK T. REYLING, CATHERINE R.  
KNERR, SOFIA R. WHITFIELD and  
PAUL M. REYLING, AS EXECUTOR OF THE  
ESTATE OF GEORGE J. REYLING, DECEASED

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU-1248  
Claim No. CU-1249  
Claim No. CU-1250  
Claim No. CU-1252

Decision No. CU-2019

Counsel for claimants:

McMullen, Everett & Logan  
by Joe S. Everett, Esq.

PROPOSED DECISION

These claims against the Government of Cuba, under Title V of the International Claims Settlement Act of 1949, as amended, in the total amount of \$206,955.15, were presented by FREDERICK T. REYLING, CATHERINE R. KNERR, SOFIA R. WHITFIELD and GEORGE J. REYLING, all nationals of the United States since birth. The claims are based on the asserted loss of improved real properties in Havana, Cuba, 40 caballerias of land at Mantua, Pinar del Rio, Cuba, and for loss of rental income from these properties since the asserted taking thereof by the Government of Cuba.

FREDERICK T. REYLING, CATHERINE R. KNERR, SOFIA R. WHITFIELD, and GEORGE J. REYLING, since deceased, were nationals of the United States at all times pertinent to these claims.

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 504 of the Act provides, as to ownership of claims, that

(a) A claim shall not be considered under section 503(a) of this title unless the property on which the claim was based was owned wholly or partially, directly or indirectly by a national of the United States on the date of the loss and if considered shall be considered only to the extent the claim has been held by one or more nationals of the United States continuously thereafter until the date of filing with the Commission.

Claimant, GEORGE J. REYLING, filed Claim No. CU-1250 with the Commission on March 30, 1967, and subsequently died testate in the State of Florida on November 14, 1967. His Last Will and Testament was filed for probate on February 13, 1968, and Letters Testamentary were issued to his son, PAUL M. REYLING, who was appointed Executor of his Estate. Accordingly, PAUL M. REYLING, in his representative capacity, is substituted herein as a claimant.

Evidence of record includes correspondence, reports and other data from claimant's Cuban attorneys concerning rental of the properties, pertinent documents from inheritance proceedings, and agreements among the claimants herein. Further, the record includes excerpts from entries in the Cuban land registers and the reports of an independent investigation conducted by the Commission concerning the ownership, loss and value of the properties included in these claims. Based on the entire record, the Commission finds that the late GEORGE J. REYLING and SOFIA R. WHITFIELD each owned 30 per cent of certain properties in Havana, Cuba, and Mantua, Pinar del Rio, Cuba; and that FREDERICK T. REYLING and CATHERINE R. KNERR each owned 20 per cent of the properties. This real property is described as follows:

1. #21 Animas, Havana, registered in Vol. 93, folio 9, 6th inscription, unit 2550, described as 2-story apartment dwelling;
2. #23 Animas, Havana, registered in Vol. 94, folio 2, inscription 6, unit 2705, described as 2-story house;

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3. #25 Animas, Havana, registered in Vol. 94, folio 242, 6th inscription, unit 2548, described as 2-story house;
4. #151/153 Vives, Havana, registered in Vol. 657, folio 126-127, inscription 1, unit 11467, including 9 1/2 lots, with lofts, garage with parking facilities and light industrial buildings; and
5. 40 caballerias of land, no improvements, located at Mantua, Pinar del Rio, Cuba, utilized for raising tobacco crops and pasturage.

With respect to the aforesaid Havana properties, the Government of Cuba published in the Official Gazette, Special Edition, the Urban Reform Law, as of October 14, 1960. Under this law, the renting of urban properties and all other transactions or contracts involving transfer of the total or partial use of urban properties was outlawed (Article 2). The law covered residential, commercial, industrial and business office properties under Article 15, and provided that if a tenant did not occupy the property, or had subleased or transferred its use to another, the property could be sold to the occupant; and further, that an occupant, whether a tenant or subtenant, or not, could purchase the property in the manner outlined in Article 9. Article 21 provided that present owners of urban buildings sold under the law should receive the assigned price; however, under Article 25 ownership of so-called tenement houses would be transferred to the State without compensation to the erstwhile owners. Under "Temporary Provisions", following Chapter VI of the law, it is provided that citizens of foreign countries who do not have the status of legal residents shall be excluded from the rights and benefits conferred by this law.

Claimants state that they are residents of the United States and that since the Urban Reform Law was published they have heard nothing concerning the property and have received no compensation for the real properties in Havana, Cuba.

Based on the foregoing and the evidence of record available to the Commission, the Commission finds that the said real properties in Havana, Cuba, were taken by the Government of Cuba pursuant to the provisions of the Urban Reform Law; and, in the absence of evidence to the contrary, that the taking occurred on October 14, 1960, the date on which the law was published in the Cuban Official Gazette. (See Claim of Henry Lewis Slade, Claim No. CU-0183.)

With respect to the land located at Mantua, Pinar del Rio, Cuba, evidence of record discloses that such property was taken pursuant to the Agrarian Reform Law, which was published in the Cuban Official Gazette on June 3, 1959. Under this law, the National Agrarian Reform Institute was organized and provision was made for the expropriation by that Agency of certain rural properties, with distribution of such land among peasants and agricultural workers. The regulations for carrying out the expropriation of such rural properties was contained in Law 588, published in the Official Gazette (No. 191) on October 7, 1959. However, the evidence of record herein, including Decrees by a Judge of the Cuban Court of First Instance as well as by the Supreme Court of the revolutionary government, discloses that the land located at Mantua, Pinar del Rio, Cuba, comprising 40 caballerias (the equivalent of 1,326.5 acres) was expropriated on March 24, 1960, under the provisions of the aforesaid legislation pertaining to rural properties.

While Article 31 of the Agrarian Reform Law provided that indemnity should be paid in redeemable bonds, the claimants assert that no compensation of any kind has been received for the expropriation of said 40 caballerias of land; and that there are no credits or off-sets to these claims. Accordingly, based on the foregoing and in the absence of evidence to the contrary, the Commission finds that the 40 caballerias of land, included in this claim, was taken without compensation by the Government of Cuba on March 24, 1960. (See Claim of Council Bluffs Savings Bank, Trustee, Estate of Grenville M. Dodge, Deceased, Claim No. CU-1290.)

The claimants have submitted affidavits and statements which include a complete description of the properties claimed herein, with rental reports and extensive correspondence from their Cuban rental agents in Havana, as well as copies of Agreements made between the decedent and the claimants, and the United States Government, concerning the sale by the government of a remainder interest in the properties. Claimants have also submitted evidence from their attorneys in Havana concerning the evaluation of the properties conducted in connection with an inheritance tax matter pertaining to a predecessor in interest to the claimants. Based on this evidence, and the independent investigation

of the Commission concerning these properties, as well as other evidence available to the Commission concerning the value of urban and rural properties in Cuba, the Commission finds that the properties, which are the subject of these claims, had the following values on the dates of taking by the Government of Cuba.

VALUE OF SUBJECT PROPERTIES

# 21 Animas	\$ 11,500.00
# 23 Animas	9,500.00
# 25 Animas	9,500.00
# 151/153 Vives	80,000.00
40 Caballerias of land	<u>25,000.00</u>
TOTAL	\$135,500.00

Based on the ownership interests of claimants herein, including that of the late George J. Reyling, the Commission finds that claimants and decedent suffered losses within the meaning of Title V of the Act as a result of the taking of the above-described real properties by the Government of Cuba on the aforesaid dates, including October 14, 1960 (Urban Reform Law) and March 24, 1960, pursuant to the Agrarian Reform Law.

The ownership interests, value of such interests in the subject properties, dates of taking and total amounts to be certified are including in the following data:

RECAPITULATION

<u>Claimant</u>	<u>Ownership Interest</u>	<u>Share:Property Taken: Oct.14,1960</u>	<u>Share:Property Taken:March 4,1960</u>	<u>Total</u>
Estate of George J. Reyling, Deceased	30%	\$ 33,150.00	\$ 7,500.00	\$ 40,650.00
Sofia R. Whitfield	30%	33,150.00	7,500.00	40,650.00
Frederick T. Reyling	20%	22,100.00	5,000.00	27,100.00
Catherine R. Knerr	20%	<u>22,100.00</u>	<u>5,000.00</u>	<u>27,100.00</u>
		\$110,500.00	\$25,000.00	\$135,500.00

Portions of the claims are based upon the asserted loss of rental income for a period of approximately eight years, or from the asserted dates of taking of the subject properties to the dates of filing these claims. The Commission finds, with respect to any rentals due in the period immediately prior to the dates of taking of the properties, that it has not been established that any rent belonging to claimants or predecessors in interest was nationalized or otherwise taken by the Government of Cuba. The claim for loss of rent for the period subsequent to the

dates when the properties were taken must be denied, inasmuch as the properties belonged to the State after the respective dates of taking, rather than to the claimants. Accordingly, those portions of the claim, based upon the loss of rent, are denied.

The Commission has decided that in the 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 the losses sustained by claimants and decedent shall be increased by interest thereon at the rate of 6% per annum from the dates on which the losses occurred, to the date on which provisions are made for the settlement thereof.

#### CERTIFICATION OF LOSSES

The Commission certifies that FREDERICK T. REYLING 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 Twenty-Seven Thousand One Hundred Dollars (\$27,100.00) with interest thereon at 6% per annum from the respective dates of taking to the date of settlement; and,

The Commission certifies that CATHERINE R. KNERR 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 Twenty-Seven Thousand One Hundred Dollars (\$27,100.00) with interest thereon at 6% per annum from the respective dates of taking to the date of settlement; and,

The Commission certifies that SOFIA R. WHITFIELD 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 Forty Thousand Six Hundred Fifty Dollars (\$40,650.00) with interest thereon at 6% per annum from the respective dates of taking to the date of settlement; and

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The Commission certifies that PAUL M. REYLING, AS EXECUTOR OF THE ESTATE OF GEORGE J. REYLING, DECEASED, succeeded to and suffered a loss, as a result of the 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 Forty Thousand Six Hundred Fifty Dollars (\$40,650.00) with interest thereon at 6% per annum from the respective dates of taking 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 Freiberg*  
Sidney Freiberg, 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).)

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