

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

IN THE MATTER OF THE CLAIM OF

DOROTHY E. NEWTON

Claim No. CU-8466

Decision No. CU 5737

Under the International Claims Settlement
Act of 1949, as amended

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 DOROTHY E. NEWTON, based upon losses sustained in connection with certain bond and stock interests. The record shows that the said securities, further described below, were owned by DOROTHY E. NEWTON jointly with William C. Newton, who died on June 17, 1968. Upon his death claimant became the sole owner of the loss in connection with the subject securities. Claimant and the decedent were nationals of the United States since birth.

The claim is based on the following:

1,000 shares of Trans-Cuba Oil Company stock

1,100 shares of The Cuba Railroad Company preferred stock

First Mortgage 4% bonds issued by The Cuba Railroad Company, in the original face amount of \$100,000.00, reduced to \$46,000.00

Accrual Certificate of the Consolidated Railroads of Cuba in the amount of 2,900 pesos

3% Cumulative Income Debentures issued by the Consolidated Railroads of Cuba in the face amount of \$50,000.00

500 shares of Francisco Sugar Co.

In the following decisions, incorporated herein by reference, we found the properties of the Trans-Cuba Oil Company taken by the Government of Cuba on November 23, 1959, and the properties of the several railroads taken on

October 13, 1960; that this type of claim is compensable to an American national under the facts and conditions set forth therein; and further, we need not again detail here the reasons or method used in determining the values per unit as shown:

Claim of D. R. Wimberly (Claim No. CU-3417) - \$0.1198 per share of Trans-Cuba

Claim of Irwin Nack, et al. (Claim No. CU-1960) - \$100 per preferred share of The Cuba Railroad Company

Claim of Joseph Gans (Claim No. CU-1720) - Value per \$1,000 4% bond of The Cuba Railroad Company of \$492.86 including interest to October 13, 1960

Claim of Meyer Lobsenz (Claim No. CU-1005) - Value of an Accrual Certificate of Consolidated Railroads of Cuba as face value, the peso being on a par with the dollar

Claim of Edward R. Smith (Claim No. CU-5001) - Value of a \$5,000 3% Cumulative Income Debenture issued by the Consolidated Railroads of Cuba as \$5,945.41 including interest to October 13, 1960

On the basis of evidence in the record in the instant case the Commission finds that this claimant and the decedent jointly owned since prior to November 23, 1959 and October 13, 1960, the securities listed below and suffered the losses shown below, to which claimant has succeeded entirely:

1,000 shares of Trans-Cuba	\$ 119.80
1,100 shares of Cuba Railroad preferred	110,000.00
Consolidated Railroads Accrual Certificate	2,900.00
\$50,000 3% Income Debentures of Consolidated Railroads	59,454.10
\$46,000 First Mortgage 4% bonds of The Cuba Railroad Co.	<u>49,286.00</u>
	\$221,759.90

Accordingly, the Commission concludes that claimant suffered and succeeded to a loss in the amount of \$221,759.90, within the meaning of Title V of the Act.

Claim is also based on 500 shares of Francisco Sugar Company. Section 502(1)(B) of the Act defines a "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.

Documentation submitted to the Commission by the Francisco Sugar Company reflects that the Francisco Sugar Company was incorporated under the laws of the State of New Jersey. The Vice President of the Francisco Sugar Company has informed the Commission that over 50 per cent of the capital stock of said corporation is owned by United States citizens, which would qualify it as a United States national within the purview of Section 502(1)(B) of the Act.

Section 505(a) of the Act provides that

A claim under section 503(a) of this title based upon an ownership interest in any corporation, association, or other entity which is a national of the United States shall not be considered . . .

The Commission concludes that since this item of claim is based on a stock interest in a corporation which qualifies as a United States national, the Commission is precluded, under Section 505(a) of the Act, from considering this item of claim. Accordingly, so much of the claim as is based on stock issued by Francisco Sugar Company is hereby denied.

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 it is so ordered in this case, as follows:


<u>FROM</u>	<u>ON</u>
November 23, 1959	\$ 119.80
October 13, 1960	<u>221,640.10</u>
	\$221,759.90

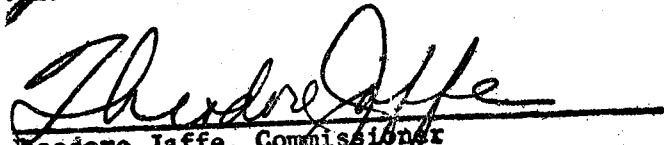
CERTIFICATION OF LOSS

The Commission certifies that DOROTHY E. NEWTON 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 **Hundred Twenty-one Thousand Seven Hundred Fifty-nine Dollars and Ninety Cents (\$221,759.90)** with interest thereon at 6% per annum from the aforesaid dates to the date of settlement.

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

AUG 19 1970


Lyle S. Garlock, Chairman


Theodore Jaffe, Commissioner


Sidney Freidberg, Commissioner

NOTICE TO TREASURY: The above-referenced securities may not 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 or 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).)

CU-8466