

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

In the Matter of the Claim of

PETER A. JOVANOVIĆ
612 United States National
Bank Building,
Denver 2, Colorado

Under the Yugoslav Claims Agreement
of 1948 and the International Claims
Settlement Act of 1949

Docket No. Y-729

Decision No. 136-A

Counsel for Claimant:

BENJAMIN E. SWEET, Esquire
635 Majestic Building,
Denver, Colorado

Approved
He
11-30-54

FINAL DECISION

Thirty days having elapsed since the claimant(s) herein and the Government of Yugoslavia were notified of the Commission's Proposed Decision on the above claim, and the claimant(s) having filed no objections thereto, and a brief filed by the Government of Yugoslavia having received due consideration, such Proposed Decision is hereby adopted as the Commission's Final Decision on the claim.

Done at Washington, D. C. DEC 1 1954

LHB

Jmm

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PROPOSED DECISION OF THE COMMISSION

Handwritten: 1/20/54, 10/2/54, 20/1/54, 20/1/54, 20/1/54

This is a claim by Peter A. Jovanovich, a citizen of the United States since his naturalization on March 20, 1933, and is for the value of a bank deposit, 80 shares of stock of the Serbo-American Bank at Belgrade, six bonds of the Kingdom of the Serbs, Croats and Slovenes, having a par value of \$1,000 each, and four Austrian War Bonds of the Wohnbau-Anleihe, Stadt Wien of 1914-1918 in the amount of 600 Austrian Crowns.

That portion of the claim which was for a bank deposit was denied by Proposed Decision of the Commission No. 136 of June 17, 1952, which became final on January 5, 1953.

With regard to the claim for six \$1,000 par value bonds of the Kingdom of the Serbs, Croats, and Slovenes, the Commission has held in Proposed Decision No. 38 of April 3, 1952 (In the Matter of the Claim of Owen Arthur Nash, Docket No. Y-362)* that claims for dollar bonds such as these were not espoused by the Government of the United States nor settled or discharged by the Yugoslav Claims Agreement of 1948. Accordingly, this portion of the claim is denied.

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The Austrian War Bonds of the Wohnbau-Anleihe, Stadt Wien are clearly the obligation of the now defunct government of the Austrian Empire. Neither the pre-war government of the Kingdom of Yugoslavia nor the present government of the Federal People's Republic of Yugoslavia can in any way be considered as successor governments of the Austrian Empire. There can be no basis for this portion of the claim under the terms of the Yugoslav Claims Agreement of 1948 which provides for compensation "for the nationalization or other taking by Yugoslavia of property and of rights and interests in and with respect to property" between the dates of September 1, 1939 and July 19, 1948. This matter is outside the jurisdiction of the Commission, and accordingly, this portion of the claim is denied.

Claimant has submitted no corroborating evidence as to the value of the stock of the Serbo-American Bank at Belgrade or the asserted nationalization or other taking of his claimed property or property rights. The Government of Yugoslavia reports that claimant was the owner of 80 shares of stock and that each share should be valued at 2.335 dinars, or 187 dinars for claimant's 80 shares. That valuation is based upon a Bank surplus of 583,657.69 dinars at liquidation, divided by the 250,000 shares which comprised the total capital stock issuance of the bank.

The Government of Yugoslavia has admitted that the bank was placed into compulsory liquidation proceedings which were completed on October 8, 1948, its license to do business having been annulled on the basis of the Decree for License Revising and Liquidating Private Crediting Enterprise (Official Gazette No. 51 of the FPRY of June 25, 1946).

The Government of Yugoslavia reports that the Bank suffered reverses commencing with the economic crisis in 1931, including a run of depositors who sought to withdraw their deposits. The Bank was

forced to seek a moratorium on obligations, and the moratorium was approved by the Ministry for Trade and Industry on January 9, 1935. This moratorium on obligations lasted until April 24, 1942. The Bank has paid no dividends since 1931.

On December 31, 1934, the Bank decreased its capital stock by one-half, to 12,500,000 dinars, and par value per share was reduced to 50 dinars per share. However, the Bank continued to do business and, according to balance sheets submitted by the Yugoslav Government, made profits in 1940, 1941 and 1942 and suffered a loss in 1944.

In a prior decision, In the Matter of the Claim of Adelaide V. Duncan, Docket No. Y-310,**we set forth at some length matters of background relating to the Yugoslav bank there involved. This recital, insofar as it bears upon the depressive economic factors which were extant in Yugoslavia both before and during the war, also is applicable in the present situation and need not be repeated here. The Commission also pointed out in that decision that it was not feasible for it to undertake an evaluation of the Yugoslav banking system in order to supply a valuation base for claimant's fractional stock interest. In recognition of the difficulties which attend a claim of this kind, we have concluded that, in fairness both to other claimants and the fund of \$17,000,000 provided by the Government of Yugoslavia, as well as to the interests of this claimant, a valuation best calculated to serve the ends of justice and equity should be determined.

Although the history and financial status of the Serbo-American Bank, Inc., of Belgrade suggests that its stock had little value at the time of taking, nevertheless, we are of the view that since the Bank was not insolvent, voting rights, at the very least, entail a value which should be recognized. Upon consideration of all the evidence and data immediately available to the Commission, it is concluded that the fair and reasonable value of each share of stock

was 25 cents per share and that the 80 shares involved here should be valued at \$20.

According to the Government of Yugoslavia, the Bank was placed in liquidation by Decision of the Yugoslav Ministry of Finance dated September 27, 1946, which will be assumed to be the date of taking.

AWARD

On the above evidence and grounds, this claim is allowed and an award is hereby made to Peter A. Jovanovich, claimant, in the amount of \$20 with interest thereon at 6% per annum from September 27, 1946, the date of taking, to August 21, 1948, the date of payment by the Government of Yugoslavia, in the amount of \$2.28.

Dated at Washington, D. C.

OCT 7 1954

* A copy of the Proposed Decision No. 38 In the Matter of the Claim of Owen Arthur Nash is enclosed.

**A copy of the decision (In the Matter of the Claim of Adelaide V. Duncan) is attached.