

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

IN THE MATTER OF THE CLAIM OF

RAINBOW DEVELOPMENT CORPORATION

ROY SCHECHTER

JEANNETTE SCHECHTER

Claim No. CU-0611

Claim No. CU -1090

Claim No. CU-1458

Decision No. CU

3669

Under the International Claims Settlement  
Act of 1949, as amended

Counsel for claimants:

Stuart M. Mitchell, 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 amounts of \$1,629,263.44, \$267,292.74 and \$260,930.66, respectively, were presented by RAINBOW DEVELOPMENT CORPORATION, ROY SCHECHTER and JEANNETTE SCHECHTER, based upon certain property losses in Cuba. RAINBOW DEVELOPMENT CORPORATION, hereafter called RAINBOW, bases its claim upon a 47-1/2% stock interest in a Cuban corporation, Fomento Industrial y Turistico Cuyaguaje, S.A., hereafter called Fomento (Claim No. CU-0611). Mr. ROY SCHECHTER, a national of the United States since birth, bases his claim on a 3.3% stock interest in Fomento, a 34.83% stock interest in a Cuban corporation, Compania Onyx de Cuba, S.A., hereafter called Onyx, a 20% stock interest in a Cuban corporation, Inmobiliaria Jeanette, S.A., hereafter called Jeanette, certain furniture and household effects, a commission business, and a debt due from Fomento (Claim No. CU-1090). Mrs. JEANNETTE SCHECHTER, mother of Mr. SCHECHTER and a national of the United States since marriage on October 26, 1913, bases her claim on a 36.35% stock interest in Onyx, a 40% stock interest in Jeanette, a 1/3 stock interest in a Cuban corporation, Colonia Paso Real, S.A., hereafter called Colonia, a debt owed by Colonia, a 1/3 interest in a Cuban entity, a partnership known as A. S. Levy & Cia., hereafter called Levy, and certain furniture and household effects (Claim No. CU-1458).

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.

The record shows that RAINBOW was organized under the laws of New York. An authorized officer of RAINBOW has certified that at all pertinent times 100% of the outstanding capital stock of RAINBOW was owned by nationals of the United States. The Commission holds that RAINBOW is a national of the United States within the meaning of Section 502(1)(B) of the Act.

Claim No. CU-0611

The Commission finds on the basis of the evidence of record that RAINBOW owned 775 shares of stock of Fomento which had 1,630 shares of outstanding capital stock.

The record discloses that Fomento was intervened by the Government of Cuba on September 18, 1959 pursuant to Resolution 558. Fomento was organized under the laws of Cuba and does not qualify as a corporate "national of the United States" defined under Section 502(1)(B) of the Act as a corporation or other legal entity organized under the laws of the United States, or any State, the District of Columbia or the Commonwealth of Puerto Rico, whose ownership is vested to the extent of 50 per centum or more in natural persons who are citizens of the United States. In this type of situation, it has been held previously that a stockholder in such a corporation is entitled to file a claim based upon the stock in question which represents an ownership interest in the assets of an intervened enterprise within the purview of Section 502(3) of the Act. (See Claim of Parke, Davis & Company, Claim No. CU-0180, 1967 FCSC Ann. Rep. 33.)

The Act provides in Section 503(a) that in making determinations with respect to the validity and amount of claims and value of properties, rights, or interests taken, the Commission shall take into account the basis of valuation most appropriate to the property and equitable to the claimant, including but not limited to fair market value, book value, going concern value, or cost of replacement.

The question, in all cases, will be to determine the basis of valuation which, under the particular circumstances, is most appropriate to the property and equitable to the claimant. The Commission has concluded that this phraseology does not differ from the international legal standard that would normally prevail in the evaluation

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of nationalized property and that it is designed to strengthen that standard by giving specific bases of valuation that the Commission shall consider; i.e., fair market value, book value, going concern value, or cost of replacement.

The record includes a copy of the balance sheet of Fomento as of December 31, 1958, the last available financial statement prior to intervention by Cuba; a copy of a deed showing the acquisition by Fomento in 1957 of improved real property in Pinar del Rio province, Cuba, extending over an area of 419 caballerias of land, approximately 13,900 acres (33.162 acres per caballeria); a copy of a report, dated August 4, 1959, from Fomento, summarizing the results of a study by an engineer which disclosed approximately 112 million tons of silica sand and a very substantial amount of lime on said land; a copy of another report in 1957 indicating the presence on said land of dense woods, pine trees and lumber, estimated to have a market value of approximately \$245,000.00; statements and affidavits from officials of RAINBOW, having personal knowledge of the facts, setting forth the presence on said land of sawmills, miscellaneous buildings, roads, agricultural equipment, large quantities of tobacco and standing timber, as well as cattle and poultry; photographs showing where the foregoing items of property were situated on the land; and a detailed statement of Mr. ROY SCHECHTER to the Department of State, dated March 6, 1961, describing and evaluating the various items of property of Fomento.

On the basis of the entire record, the Commission finds that the valuation most appropriate to the property and equitable to the claimants is that shown in the balance sheet as of December 31, 1958, in pesos, as follows (the peso being on a par with the United States dollar):

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Assets

Current Assets:

Cash on hand and in banks	1,513.43	
Accounts receivable	4,427.89	
Notes receivable	493.57	
Advances to employees	624.06	
Advances re: liquidation of rice crop	587.58	
Deposits as guarantor	<u>100.00</u>	
Total Current Assets		7,746.53

Inventories:

Finished lumber	3,136.50	
Lumber in forest:		
Pine	187,500.00	
Mangrove and Cuban Redwood	<u>1,500,000.00</u>	
Total uncut lumber	1,687,500.00	
Silica sand (unprocessed) estimated		
1,000,000 tons at 1.75 per ton	1,750,000.00	
Tobacco harvested, in barns	<u>14,000.00</u>	
Total Inventories		3,454,636.00

Fixed Assets:

Land	165,261.27	
Farm improvements	2,785.96	
Machinery & equipment	62,978.83	
Roads	13,504.95	
Buildings & houses	23,055.76	
Furnishings & utensils	1,952.28	
Work animals	456.65	
Other livestock, poultry, etc.	<u>204.85</u>	
Total Fixed Assets		270,200.55

Deferred Charges:

Prepaid insurance	854.16	
Inventory - fuel	434.06	
Organization expense	<u>4,389.37</u>	
Total Deferred Charges		<u>5,677.59</u>

Total Assets

3,738,261.17

Liabilities and Capital

Liabilities:

Accounts payable		11,605.27
Notes payable on equipment		19,324.52
Other notes payable:		
First National Bank - Boston	25,000.00	
Miguel Vallo - stockholder	52,105.26	
Eugenio Llana - stockholder	1,123.18	
ROY SCHECHTER - stockholder	<u>211.48</u>	
Total other notes payable		78,439.92
Mortgage on land		32,000.00
Interest payable		1,300.01
Accrued taxes and expenses		<u>2,563.14</u>
Total Liabilities		145,232.86

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Capital:		
Capital stock authorized	1,000,000.00	
Less unissued stock	<u>837,000.00</u>	
Issued stock	163,000.00	
Surplus	<u>3,430,028.31</u>	
Net Worth		<u>3,593,028.31</u>
Total Liabilities and Net Worth		<u>3,738,261.17</u>

The evidence includes an affidavit, dated March 13, 1968, from ROY SCHECHTER, in which he states that Fomento owed him a debt in the amount of \$1,068.97, which had never been paid. The item, accounts payable to ROY SCHECHTER, is shown in the balance sheet as \$211.48. On the basis of the entire record, however, the Commission finds that on September 18, 1959, the date of loss, Fomento was indebted to ROY SCHECHTER in the amount of \$1,068.97.

Accordingly, the Commission finds that the value or net worth of Fomento on the date of loss was \$3,592,170.82, constituting the excess of the assets over the liabilities. Since Fomento had 1,630 shares of capital stock outstanding on September 18, 1959, the Commission finds that the value of one share of stock on the date of loss was \$2,203.80.

The Commission, therefore, finds that RAINBOW DEVELOPMENT CORPORATION sustained a loss with respect to its 775 shares of stock in the amount of \$1,707,945.00, within the meaning of Title V of the Act.

Claim No. CU-1090

Claimant, ROY SCHECHTER, has computed his claim as follows:

55 shares of stock of Fomento, equivalent to a 3.33% interest	\$113,190.93
Debt due from Fomento	1,068.97
711 shares of stock of Onyx, equivalent to a 34.83% interest	85,367.84
6 shares of stock of Jeanette, equivalent to a 20% interest	13,000.00
Commission business	40,000.00
Furniture and personal effects	<u>14,665.00</u>
Total claimed	<u>\$267,292.74</u>

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I. Fomento

The Commission finds on the basis of the evidence of record that claimant owned 55 shares of Fomento on September 18, 1959, the date of loss. Having determined that the value of one share of stock of Fomento was \$2,203.80 on the date of loss, the Commission further finds that claimant sustained a loss with respect to his 55 shares of stock in the amount of \$121,209.00, within the meaning of Title V of the Act.

II. Debt of Fomento

The Commission also found that Fomento was indebted to claimant in the amount of \$1,068.97 on the date of loss. Accordingly, the Commission concludes that claimant sustained a loss in that amount as a result of the intervention of Fomento by the Government of Cuba on September 18, 1959. (See Claim of Kramer, Marx, Greenlee and Backus, Claim No. CU-0105, 25 FCSC Semiann. Rep. 62 (July-Dec. 1966).)

III. Onyx

The record establishes and the Commission finds that claimant owned 711 shares of stock of Onyx, a Cuban corporation which owned and operated a clothing factory, and sold its products to Cuban customers. It appears from the record that Onyx had 2,041 shares of outstanding capital stock. On the basis of the evidence of record, the Commission finds that Onyx was nationalized by the Government of Cuba pursuant to Law 890 of October 13, 1960. In the absence of evidence to the contrary, the Commission finds that claimant sustained a loss of property within the meaning of Title V of the Act on October 13, 1960.

The Commission further finds that the valuation most appropriate to the property and equitable to the claimant is that shown by the balance sheet of Onyx as of December 31, 1959, a copy of which is included in the record. That balance sheet shows the financial condition of Onyx as follows:

Assets

Current Assets:		
Cash on hand	6,226.45	
Continental Bank	5,173.75	
Accounts receivable	28,386.33	
Notes discounted in bank	60,144.72	
Inventory	52,326.62	
Merchandise in process	<u>24,535.24</u>	
Total Current Assets		176,793.11
Fixed Assets:		
Machinery	149,941.25	
Furniture & fixtures	11,629.31	
Truck	3,269.00	
Boiler	<u>1,190.96</u>	
Total Fixed Assets		166,030.52
Deferred Charges:		
Deposits in guaranty	230.00	
Prepaid insurance	241.56	
Manufacturing coats	377.50	
Prepaid overhead	<u>209.85</u>	
Total Deferred Charges		<u>1,058.91</u>
Total Assets		<u><u>343,882.54</u></u>

Liabilities and Capital

Liabilities:		
Accounts payable	30,763.49	
Wages payable	4,546.04	
Discounted notes payable	60,144.72	
Due 1st National City Bank of N. Y.	<u>3,222.45</u>	
Total Liabilities		98,676.70
Capital:		
Authorized and issued	81,640.00	
Surplus	136,321.87	
Profit	<u>27,243.97</u>	
Net Worth		<u>245,205.84</u>
Total Liabilities and Net Worth		<u><u>343,882.54</u></u>

Accordingly, the Commission finds that the value or net worth of Onyx on October 13, 1960, the date of loss, was \$245,205.84, constituting the excess of the assets over the liabilities. Since Onyx had 2,041 shares of stock outstanding on the date of loss, the Commission finds that the value of one share of stock was \$120.14.

The Commission, therefore, finds that claimant sustained a loss with respect to his 711 shares of stock in the amount of \$85,419.54, within the meaning of Title V of the Act.

IV. Jeanette

The record establishes and the Commission finds that claimant owned 6 shares of stock of Jeanette, a Cuban corporation that had 30 shares of outstanding capital stock. It appears from the record that this corporation owned certain urban property in Havana, Cuba, improved by a 17-room residence.

Claimant states the property belonging to Jeanette was taken by the Government of Cuba in 1960. In the absence of evidence to the contrary, the Commission finds that said improved real property was taken by the Government of Cuba on October 14, 1960 pursuant to the Urban Reform Law. (See Claim of Henry Lewis Slade, Claim No. CU-0183, 1967 FCSC Ann. Rep. 39.)

The record shows that the said house and land was the only asset of Jeanette. It appears from a letter, dated March 6, 1961, from claimant to the Department of State that the land measured 22,000 square feet in a good area of Havana, and that the 17-room residence had been built in 1924 and modernized in 1948. In that letter, claimant stated that the value of the house and land was \$50,000.00.

On the basis of the entire record, the Commission finds that the value of the improved property on October 14, 1960, the date of loss, was \$50,000.00, the land being valued at \$22,000.00 and the house at \$28,000.00. It does not appear from the evidence of record that the property was encumbered by a mortgage or other lien. Since Jeanette had 30 shares of capital stock outstanding on the date of loss, the Commission finds that the value of claimant's 1/5 interest was \$10,000.00, and that claimant sustained a loss in that amount within the meaning of Title V of the Act.

V. Commission Business

The Commission finds on the basis of the evidence of record that claimant owned a commission business from which he earned fees for representing a number of large clothing firms in the United States and Europe. The Commission further finds that this business constituted a valuable property right within the meaning of Section 502(3) of the Act. In the absence of evidence to the contrary, the Commission finds that claimant's property was taken by the Government of Cuba on October 14, 1960.

Based upon all the evidence of record including claimant's statements to the Department of State in his letter of March 6, 1961, the Commission finds that the value of claimant's property on the date of loss was \$40,000.00.

VI. Furniture and Personal Effects

The evidence establishes and the Commission finds that claimant owned certain items of furniture, furnishings, paintings and other personal effects in Cuba. On the basis of affidavits from individuals having personal knowledge of the facts, the Commission finds that claimant's personal property was taken by Cuban military authorities on October 14, 1960, as a result of which claimant sustained a loss within the meaning of Title V of the Act.

The record includes a detailed list of the various items of personal property thus taken by Cuba and affidavits from persons attesting to the values thereof. Based upon the entire record, the Commission finds that the aggregate value of claimant's personal property on October 14, 1960, the date of loss, was \$14,665.00.

Accordingly, ROY SCHECHTER sustained the following losses:

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<u>Item of Property</u>	<u>Date of Loss</u>	<u>Amount</u>
55 shares of Fomento	September 18, 1959	\$121,209.00
Debt of Fomento	September 18, 1959	1,068.97
711 shares of Onyx	October 13, 1960	85,419.54
6 shares of Jeanette	October 14, 1960	10,000.00
Commission business	October 14, 1960	40,000.00
Furniture & personal effects	October 14, 1960	14,665.00
Total loss		<u>\$272,362.51</u>

Claim No. CU-1458

Claimant, JEANNETTE SCHECHTER, has computed her claim as follows:

Furniture, furnishings and household effects, including an automobile	\$ 59,858.00
742 shares of stock of Onyx, equivalent to a 36.35% interest	89,143.33
265 shares of stock of Colonia, equivalent to a 1/3 interest	54,000.00
12 shares of stock of Jeanette, equivalent to a 40% interest	26,000.00
Debt due from Colonia	15,642.00
1/3 interest in Levy, a Cuban partnership	<u>16,287.33</u>
Total claimed	<u>\$260,930.66</u>

I. Furniture and Personal Effects

The Commission finds on the basis of the evidence of record that claimant owned various items of furniture, furnishings and household effects, as well as an automobile, in Cuba. Based upon affidavits and other evidence of record the Commission finds that claimant's personal property was taken by Cuban military authorities on October 14, 1960, as a result of which claimant sustained a loss within the meaning of Title V of the Act.

The record includes a detailed list of the various items of personal property thus taken by Cuba and affidavits from persons attesting to the values thereof. Based upon the entire record, the Commission finds that the aggregate value of claimant's personal property on October 14, 1960, the date of loss, was \$59,858.00.

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II. Onyx

The Commission finds on the basis of the evidence of record that claimant owned 742 shares of Onyx on October 13, 1960, the date of loss. Having determined that one share of stock of Onyx was \$120.14 on the date of loss, the Commission further finds that claimant sustained a loss with respect to her 742 shares of stock in the amount of \$89,143.88, within the meaning of Title V of the Act.

III. Colonia

The record establishes and the Commission finds that claimant owned a 1/3 interest in Colonia, a Cuban corporation engaged in the agriculture industry. Based upon affidavits and statements in the record, asserting that Colonia was taken over by Cuban military authorities in 1961, and in the absence of evidence to the contrary, the Commission finds that Colonia was taken by the Government of Cuba on July 15, 1961.

The Commission finds that the valuation most appropriate to the property and equitable to the claimant is that shown by the balance sheet of Colonia as of December 31, 1959, a copy of which is included in the record. That balance sheet shows the financial condition of Colonia as follows:

<u>Assets</u>		
Current Assets:		
Petty cash	50.00	
Bank of Nova Scotia	2,414.12	
Accounts receivable	<u>928.80</u>	
Total Current Assets		3,392.92
Deferred Charges:		
Fruit trees	723.43	
Prepaid 1960 harvest expense	<u>2,274.99</u>	
Total Deferred Charges		2,998.42

Fixed Assets:		
Agricultural implements	6,827.46	
Railroad tracks - 7 km.	91,987.42	
Sugar cane scales & bldg.	5,112.12	
Tractors, motors, electric plant	16,007.14	
Trailers	5,178.50	
Furniture - farm house	2,121.64	
Fences	6,891.62	
Irrigation plant	15,992.20	
Buildings & shops, farm house	13,375.10	
Office furniture & equipment	914.90	
Pasture land	3,655.88	
Sugar cane	58,889.69	
Railroad track, equipment and materials	2,133.29	
Tools (shop)	1,594.68	
Water wells & tanks	8,196.00	
Saddles, reins, etc.	482.70	
Horses & mules	3,545.00	
Cattle, 252 head at \$80.00	<u>20,160.00</u>	
Total Fixed Assets		<u>263,065.34</u>
Total Assets		<u>269,456.68</u>

Liabilities and Capital

Liabilities:		
Accounts payable:		
Rent payable	3,386.77	
Taxes payable	<u>127.68</u>	
Total accounts payable		3,514.45
Loans payable:		
James Rutishauser	13,006.65	
Walter Attinger	13,006.65	
John Zoller	20,513.35	
JEANNETTE SCHECHTER	<u>15,642.00</u>	
Total loans payable		62,168.65
Capital:		
Issued stock	100,000.00	
Surplus	<u>103,773.58</u>	
Net Worth		<u>203,773.58</u>
Total Liabilities and Net Worth		<u>269,456.68</u>

Accordingly, the Commission finds that the value or net worth of Colonia on July 15, 1961, the date of loss, was \$203,773.58, constituting the excess of the assets over the liabilities. The Commission further finds that claimant sustained a loss with respect to her 1/3 interest in Colonia in the amount of \$67,924.53, within the meaning of Title V of the Act.

IV. Jeanette

The Commission finds on the basis of the evidence of record that claimant owned 12 shares of Jeanette on October 14, 1960, the date of loss. Having determined that the value of a 1/5 interest in Jeanette amounted to \$10,000.00, the Commission finds that the value of claimant's 2/5 interest in Jeanette amounted to \$20,000.00, and that claimant sustained a loss in that amount within the meaning of Title V of the Act.

V. Debt due from Colonia

The record establishes and the Commission finds that Colonia was indebted to claimant in the amount of \$15,642.00 on July 15, 1961, the date of loss. Accordingly, the Commission concludes that claimant sustained a loss in that amount as a result of the taking of Colonia by the Government of Cuba on July 15, 1961. (See Claim of Kramer, et al., supra.)

VI. Levy

Based upon the evidence of record, the Commission finds that claimant owned a 1/3 interest in Levy, a Cuban entity, engaged in the agriculture industry. On the basis of affidavits and statements in the record, asserting that Levy was taken over by Cuban military authorities in 1961, and in the absence of evidence to the contrary, the Commission finds that Levy was taken by the Government of Cuba on July 15, 1961.

The Commission finds that the valuation most appropriate to the property and equitable to the claimant is that shown by the balance sheet of Levy as of December 31, 1959, a copy of which is included in the record. That balance sheet shows the financial condition of Levy as follows:

Assets

Current Assets:		
Cash	559.32	
Accounts receivable	<u>7,927.50</u>	
Total Current Assets		8,486.82
Fixed Assets:		
Land	16,000.00	
Fences	323.91	
Artesian well	224.61	
Irrigation ditches	353.97	
Sugar cane	22,715.83	
Buildings	138.20	
Agricultural equipment	<u>467.84</u>	
Total Fixed Assets		40,224.36
Deferred Charges:		
Prepaid expenses, 1960 harvest		<u>1,247.99</u>
Total Assets		<u>49,959.17</u>

Liabilities and Capital

Liabilities:		
Due Central San Cristobal	1,000.00	
Taxes due	<u>96.98</u>	
Total Liabilities		1,096.98
Capital:		
Issued stock	9,000.00	
Surplus	31,626.43	
Profit	<u>8,235.76</u>	
Net Worth		<u>48,862.19</u>
Total Liabilities and Net Worth		<u>49,959.17</u>

Accordingly, the Commission finds that the value or net worth of Levy on July 15, 1961, the date of loss, was \$48,862.19, constituting the excess of assets over liabilities. The Commission further finds that claimant sustained a loss with respect to her 1/3 interest in Levy in the amount of \$16,287.40, within the meaning of Title V of the Act.

Therefore, JEANNETTE SCHECHTER sustained the following losses:

<u>Item of Property</u>	<u>Date of Loss</u>	<u>Amount</u>
Furniture & personal effects	October 14, 1960	\$ 59,858.00
742 shares of Onyx	October 13, 1960	89,143.88
1/3 interest in Colonia	July 15, 1961	67,924.53
12 shares of Jeanette	October 14, 1960	20,000.00
Debt due from Colonia	July 15, 1961	15,642.00
1/3 interest in Levy	July 15, 1961	16,287.40
Total loss		<u>\$268,855.81</u>

It will be noted that the total amounts of the losses found herein are in excess of the amounts asserted by claimants. However, in determining the amount of loss sustained, the Commission is not bound by any lesser or greater amount which may be asserted by claimants as the extent thereof.

The Commission has decided that in certification of loss 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 as follows:

<u>Claim No.</u>	<u>Claimant</u>	<u>From</u>	<u>On</u>
CU-0611	RAINBOW DEVELOPMENT CORPORATION	September 18, 1959	<u>\$1,707,945.00</u>
CU-1090	ROY SCHECHTER	September 18, 1959	\$ 122,277.97
CU-1090	ROY SCHECHTER	October 13, 1960	85,419.54
CU-1090	ROY SCHECHTER	October 14, 1960	64,665.00
	Total		<u>\$ 272,362.51</u>
CU-1458	JEANNETTE SCHECHTER	October 13, 1960	\$ 89,143.88
CU-1458	JEANNETTE SCHECHTER	October 14, 1960	79,858.00
CU-1458	JEANNETTE SCHECHTER	July 15, 1961	99,853.93
	Total		<u>\$ 268,855.81</u>

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CERTIFICATION OF LOSS

The Commission certifies that RAINBOW DEVELOPMENT CORPORATION 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 Million Seven Hundred Seven Thousand Nine Hundred Forty-five Dollars (\$1,707,945.00) with interest at 6% per annum from September 18, 1959 to the date of settlement; and

the Commission certifies that ROY SCHECHTER 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 Two Hundred Seventy-two Thousand Three Hundred Sixty-two Dollars and Fifty-one Cents (\$272,362.51) with interest thereon at 6% per annum from the respective dates of loss to the date of settlement; and

the Commission certifies that JEANNETTE SCHECHTER 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 Two Hundred Sixty-eight Thousand Eight Hundred Fifty-five Dollars and Eighty-one Cents (\$268,855.81) with interest at 6% per annum from the respective dates of loss to the date of settlement.

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

28 MAY 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

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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 claimants establish retention of the securities for 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).)