

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

IN THE MATTER OF THE CLAIM OF

WILLIAM JUSTUS BULLOCK

Under the International Claims Settlement
Act of 1949, as amended

Claim No. CU-2239

Decision No. CU- 4506

PROPOSED DECISION

Claimant, WILLIAM JUSTUS BULLOCK, who owned 3% Cumulative Income Debentures issued by the Consolidated Railroads of Cuba, as well as bonds issued by the Cuba Northern Railway Company and the Cuba Railroad Company, asserts a claim under Title V of the International Claims Settlement Act of 1949, as amended, against the Government of Cuba because of its nationalization of said Railroads. Claimant has been a national of the United States since birth.

In our decisions entitled the Claim of Edward R. Smith (Claim No. CU-5001), Claim of Kentucky Home Mutual Life Insurance Company (Claim No. CU-1339), Claim of Albert I. Harris, (Claim No. CU-2398) and Claim of Joseph Gans (Claim No. CU-1720), which we incorporate herein by reference, we held that the properties of these entities were nationalized or otherwise taken by the Government of Cuba on October 13, 1960, and that this type of claim is compensable to an American national under the facts and conditions set forth therein. We need not again detail here the reasons or the method used in determining the following values per \$1000 bond, including interest to October 13, 1960:

Consolidated Railroads of Cuba - 3% Cumulative Income Debenture	\$1,139.08
Cuba Northern Railway Company - 4% First Mortgage Bond	682.56

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Cuba Railroad Company	
First Lien and Refunding Bonds	\$ 682.56
First Mortgage Bonds	492.86

The Commission finds that claimant has been the owner of the following Cuba Railroad bonds since prior to October 13, 1960:

- 4 First Lien and Refunding - Series A
(initial face value \$4000)
- 2 First Mortgage 4%
(initial face value \$2000)

The Commission further finds that he suffered a loss in connection therewith in the amount of \$3,715.96 within the meaning of Title V of the Act.

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.

On the basis of the record the Commission also finds that claimant acquired the following securities by purchase on the dates listed, for the consideration shown:

<u>INITIAL</u> <u>VALUE</u>	<u>DATE OF</u> <u>PURCHASE</u>	<u>CONSIDERATION</u>
\$9,000 Cuba Railroad First Mortgage	December 9, 1960	\$365.22
\$10,000 Cuba Northern	August 21, 1961	457.90
\$10,000 Cuba Railroad First Lien and Refunding - A	December 20, 1960	407.90
\$10,000 Consolidated Railroad 3% Income Debentures	December 9, 1960	312.50
\$5,000 Cuba Railroad First Lien and Refunding - B	December 12, 1960	263.95
\$9,000 Cuba Railroad First Mortgage	June 12, 1961	432.72
\$1,000 Cuba Railroad First Mortgage	June 19, 1961	49.33

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Under the provisions of Section 504(a) of the Act, a claimant is required to establish that the claim for any loss has been continuously owned by a national or nationals of the United States from the date of loss to the date of filing with the Commission. The loss occurred on October 13, 1960. In similar cases, claimants have been unable to obtain information or evidence to establish the nationality of the owner of the securities on the date of loss, and to establish continuous United States ownership of the securities until the date on which claimant acquired them.

Evidence of record before the Commission discloses that securities of the type subject of this claim were almost entirely owned and traded by persons or firms having addresses in the United States. The Commission has considered whether an inference may be justified that the claimed securities were continuously owned by a national or nationals of the United States from the date of loss to the date on which purchased by the claimant, and, in the absence of evidence to the contrary, has concluded that the securities were continuously so owned. (See Claim of Samuel J. Wikler, et al., Claim No. CU-2571, 1968 FCSC Ann. Rep. 47.)

Section 507 of the Act provides, as to assignment of claims, that

(b) The amount determined to be due on any claim of an assignee who acquires the same by purchase shall not exceed (or, in the case of any such acquisition subsequent to the date of the determination, shall not be deemed to have exceeded) the amount of the actual consideration paid by such assignee, or in case of successive assignments of a claim by any assignee.

The Commission finds that claimant, as an assignee by purchase, acquired the claims for the losses sustained by the assignors of the claimed securities, but under the limitations provided in Section 507 of the Act (supra), is limited to the actual consideration paid for the securities purchased after the date of loss.

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).

The Commission concludes, however, that the amount of loss sustained by claimant herein shall be increased by interest thereon at the rate of 6% per annum from the dates below, to the date on which provisions are made for the settlement thereof:

<u>FROM</u>	<u>ON</u>
October 13, 1960	\$3,715.96
December 9, 1960	677.72
December 12, 1960	263.95
December 20, 1960	407.90
June 12, 1961	432.72
June 19, 1961	49.33
August 21, 1961	<u>457.90</u>
	\$6,005.48

CERTIFICATION OF LOSS

The Commission certifies that WILLIAM JUSTUS BULLOCK 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 Six Thousand Five Dollars and Forty-Eight Cents (\$6,005.48) with interest 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

12 FEB 1970

Theodore Jaffe

Theodore Jaffe, Commissioner

Sidney Freidberg

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].)