

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

IN THE MATTER OF THE CLAIM OF

CHANDLER ECHOLS

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. CU-3395

Decision No. CU 4818

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 CHANDLER ECHOLS for \$54,500.00, amended to \$63,500.00, based upon the asserted ownership and loss of real and personal property, and stock interests in Cuba. Claimant has been a national of the United States since birth.

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.

Claimant describes his loss as follows:

1. Improved realty	\$ 9,000.00
2. Personal property	16,500.00
3. 300 shares of Graphic Arts Supply, S.A.	30,000.00
4. 80 shares of Union Grafica, S.A.	<u>8,000.00</u>
	\$63,500.00

#### Real Property

Claimant describes this item as a small farm in Santiago de las Vegas. He evaluated the land at \$5,000.00 and buildings at \$5,000.00. He submitted the affidavit of Antonio Fernandez De Cossio of October 24, 1967 reciting that in July 1960 he received \$9,000.00 from David Castanon, with which he purchased for claimant a farm called "Las Delicias". The record contains copy of claimant's letter to one R. Herrero referring in part to "the \$9,000.00 which you turned over to Antonio Cossio for purchasing the farm . . . ."

By letter of February 12, 1968 claimant stated that in addition to the \$9,000.00 paid for the original property, improvements were made costing \$7,800.00, and that he was requesting an affidavit of Mr. Fernandez as to the improvements.

On March 22, 1968 claimant restated his value for this item of claim as \$10,000.00. With this letter he enclosed an affidavit of Mr. Castanon reciting in pertinent part that in July 1960 he delivered to Mr. Cossio \$9,000.00 property of Mr. Echols, for the purchase of a piece of property.

On July 8, 1968 claimant addressed the Commission and stated with respect to this item of claim that he thought the property was around four acres and had a house on it. He enclosed a copy of a letter from Antonio Cossio, dated December 31, 1967, listing improvements made to the property, and their cost, totalling \$7,800.00.

The record also includes an affidavit of Antonio Cossio reciting that claimant left some money with the affiant in Cuba, and that he bought for claimant, but in affiant's name, a farm of 72,000 square yards, and that the value paid for it was \$15,000.00.

The Commission has received a report from abroad as to the property in question which related that there is no evidence of record that Mr. Echols owned the property in question but that a farm is registered in the name of Antonio Fernandez de Cossio, married.

The Commission has considered all the evidence of record and concludes that claimant has not established his ownership of the property in question. Accordingly, this item of claim is denied.

#### Personal Property

Claimant first described this item generally as all household furniture; 5 registered horses; 5 hunting guns; all personal effects and personal items; one 1959 Simca auto; and one 1956 Lincoln Continental car, all of which he valued at \$16,500.00.

The record includes several documents concerning the purchase of a 1959 Simca Aronde for the apparent price of \$916.80 by claimant and Mrs. Echols, whose identity and nationality are not of record in this matter.

On several occasions the Commission suggested to claimant that he submit a detailed listing of the personal property including date of acquisition and consideration paid. Such evidence has not been received, however.

On the basis of the entire record, the Commission finds that claimant had an interest in a 1959 Simca and the Government of Cuba took this Simca automobile on about July 31, 1960, after claimant left Cuba.

The Commission further finds that after appropriate depreciation, the automobile had a value of \$780.00, and concludes that claimant suffered a loss of \$390.00 in this connection, within the meaning of Title V of the Act.

So much of the claim as is based on other items of personal property, as above categorized, is denied.

Graphic Arts Supply, S.A. (GASCO)

In our decision entitled the Claim of Leonard E. Echols (Claim No. CU-3796, incorporated herein by reference), we held that the properties owned by the Company were intervened by the Government of Cuba on August 8, 1961, and that claim based on a stock interest therein 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 value per share of \$164.2435 per each of 422 shares outstanding on the date of loss.

Claimant first asserted ownership of 175 shares of GASCO, which he then valued at \$10,000.00.

The record contains a document of September 30, 1956, which appears to have been issued by the Income Tax Section of the Cuban Treasury Department. It sets out on January 18, 1956 the "Cuban Litho Supply Co." was constituted, having an authorized capital of \$50,000.00 (in shares of \$100.00 each); that \$2,000.00 were subscribed, \$1,000.00 thereof by CHANDLER ECHOLS, representing ten shares. Thereafter the name was changed to Graphic Arts Supply. Further the document set out that he was to receive shares of a value of \$6,000.00 par, or 60 shares, for his work in organizing the business.

Claimant has also submitted a contract of March 31, 1959, for the purchase, from Theodore Schwartz of 75 shares of \$100.00 par each of Graphic Arts Supply, for a price of \$10,000.00, further setting out the details of payment.

In this connection claimant in his above-mentioned letter of February 8, 1968 to R. Herrero, said that frankly he could not remember how many shares he had, but thought he had \$15,000.00 (in shares) beyond the purchase from Schwartz.

The aforementioned affidavit of David Castanon, of January 31, 1968, recites, in his capacity as Secretary of the corporation, that CHANDLER ECHOLS had totally paid \$30,000.00 nominal value in common stock of GASCO, and controlled 90% of the capital stock.

The records of the Commission reflect that GASCO had outstanding 422 shares and of these 123 have been the subject of certification of loss by the Commission in other claims. These represent about 29% of the shares issued, whereas 90% would represent about 380 shares.

Claimant by his letters of March 22, 1968 and July 8, 1968 revised his claim for this item to \$30,000.00 for an asserted 300 shares.

On the basis of the record in this matter, the Commission finds that CHANDLER ECHOLS had been the owner of 145 shares of Graphic Arts Supply, S.A. since prior to August 8, 1961 and that he suffered a loss of \$23,815.30 in that connection, within the meaning of Title V of the Act.

So much of the claim on GASCO stock as is in excess of 145 shares must be and is hereby denied.

Union Grafica, S.A.

Claimant asserted ownership of 80 shares of Union Grafica, which he valued at \$8,000.00.

In this connection he has submitted a document of April 23, 1956, which recites that the corporation was constituted on March 15, 1955. It further purports to discuss the disposition of shares. It is well nigh impossible to ascertain the extent of claimant's holdings, although the asserted 80 shares appears to be confirmed. The number of shares outstanding cannot be ascertained from this document.

The record also includes the affidavit of November 4, 1968 of Jorge Alberto Gonzalez, who states that he was President of Union Grafica which was incorporated on March 15, 1955; and that at the time of incorporation, CHANDLER ECHOLS acquired shares of \$8,000.00. Further he states that all the shares of Union Grafica were acquired by a new corporation, Papeles Industrializados, S.A., and CHANDLER ECHOLS was issued shares in the amount of \$8,000.00. He states that Papeles was taken by the Government of Cuba on April 19, 1961.

On several occasions claimant was invited to submit evidence as to the net worth of Papeles, and the number of shares outstanding. However, such evidence has not been submitted.

The Regulations of the Commission provide:

The claimant shall be the moving party and shall have the burden of proof on all issues involved in the determination of his claim. (FCSC Reg., 45 C.F.R. §531.6(d) (Supp. 1967).)

In the absence of evidence as to the extent of claimant's ownership of Grafica or Papeles, with relation to the whole, and of the net worth of the entity on the asserted date of loss, the Commission finds that claimant has not met the burden of proof.

Accordingly, the Commission is constrained to deny this item of claim and it is hereby denied.

Claimant's losses may be summarized as follows:

1. Interest in a Simca automobile	\$ 390.00
2. 145 shares of Graphic Arts	23,815.30

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 in the instant case it is so ordered, as follows:


<u>FROM</u>	<u>ON</u>
July 31, 1960	\$ 390.00
August 8, 1961	<u>23,815.30</u>
	\$24,205.30

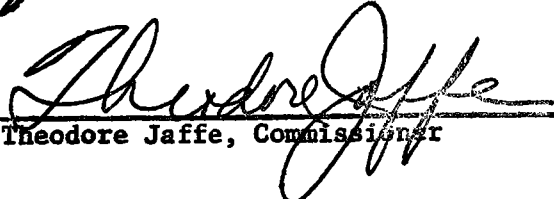
CERTIFICATION OF LOSS

The Commission certifies that CHANDLER ECHOLS 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-four Thousand Two Hundred Five Dollars and Thirty Cents (\$24,205.30) with interest at 6% per annum from the aforesaid dates of loss to the date of settlement.

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

**MAY 6 1970**

  
Lyle S. Garlock, Chairman

  
Theodore Jaffe, Commissioner

  
Sidney Freidberg, 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).)