

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

In the Matter of the Claim of

MILAN FREUND,
28 West 69th Street,
New York, New York.

ANN NEUBERGER,
114 West 86th Street,
New York, New York.

PAUL NEUBERGER,
114 West 86th Street,
New York, New York.

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

Docket No. Y-1670

Decision No. 1486

Counsel for Claimants:

PAUL NEUBERGER,
16 West 46th Street,
New York 17, New York.

PROPOSED DECISION OF THE COMMISSION

This is a claim for \$2,544,186 by Milan Freund, Ann Neuberger, and Paul Neuberger, who have been citizens of the United States since their naturalization on May 23, 1945, August 2, 1945, and August 2, 1945, respectively. Milan Freund and Ann Neuberger claim individually, and Paul Neuberger claims individually or, alternatively, in the capacity of a trustee. The claim is for the taking by the Government of Yugoslavia of (1) real property in which claimants Milan Freund and Ann Neuberger had an interest and (2) various Yugoslav companies in which the claimants had an interest, either directly or indirectly, as will appear subsequently.

The claimants Milan Freund and Ann Neuberger allege a two-thirds ownership by inheritance of real property located at Jelacicev Trg. 1,

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Ilica 2 (now Trg. Republike No. 1), Zagreb, and registered under Docket No. 683, Zagreb. While claimants Milan Freund and Ann Neuberger in the Statement of Claim as originally filed claimed the taking by the Government of Yugoslavia of real property located at Gajevo Setaliste in Crkvenica registered under Docket No. 826, Crkvenica, in which they asserted an interest, the claim with respect to this property has been withdrawn.

As to the property recorded under Docket No. 683, Zagreb, Milan Freund and Ann Neuberger claim to have inherited a one-fourth interest each through their mother, Malvina Freund, who is alleged to have died on May 9, 1945, and a one-twelfth interest each through their brother, Paul Freund, who was declared judicially dead as of April 30, 1945. The owner of the other one-third interest is said to be their brother, Ladislav Freund, who is not a national of the United States.

The Government of Yugoslavia has filed a certified extract dated July 7, 1953, from the Land Register of the County Court of Zagreb (Docket No. 683, Zagreb) showing that Malvina Freund is the recorded owner of a parcel with a surface area of 210.8 square fathoms or 758 square meters described as "House No. 192 on Jelacicev Trg. No. 2 and yard." This extract shows a mortgage of 2,000,000 dinars on the property in favor of the Savings Bank of the City of Zagreb which was entered on May 3, 1938.

As evidence of the inheritance by claimants Milan Freund and Ann Neuberger, claimants have filed a certified copy of a decree of inheritance dated June 11, 1950, and issued by the County Court I in Zagreb regarding the estate of Malvina Freund, deceased, who died intestate on May 9, 1945. The decree states, inter alia, that Malvina Freund was the sole owner of that property registered under Docket No. 683, Zagreb, and it awards a one-fourth share each to Milan Freund, Ann Neuberger and Ladislav Freund. The other one-fourth share is,

however, declared escheated to the state through Paul Freund's son who died on May 9, 1946, without heirs. The decree further states that the property has been put under the administration of the People's Committee in order to "secure" it according to Article 2 of the Law Concerning the Transfer to State Ownership of Enemy Property and the Sequestration of the Property of Absent Persons. (Official Gazette No. 2 of February 6, 1945).

The claimants deny that the so-called one-fourth interest of Paul Freund, deceased, in the estate of Malvina Freund, deceased, escheated to the state, and allege it was inherited equally by the three surviving children. They have filed a photocopy of a decree of the County Court for the 2nd and 3rd Districts of Zagreb dated November 12, 1947, fixing the date of Paul Freund's death as April 30, 1945, and an original decree of Inheritance of the County Court of Zagreb of December 10, 1953, regarding the Estate of Paul Freund, deceased, "who died in Zagreb on December 3, 1941," intestate. The decree awards a one-third interest each in the estate to Milan Freund, Ladislav Freund and Ann Neuberger. The estate is said to consist of real property registered under Docket No. 826, Crkvenica, but the decree is said to refer "to the entire estate property without regard whether it has been known during the proceeding or not."

In order to prove that the decree declaring that Paul Freund's alleged interest in the estate of Malvina Freund had escheated to the state was erroneous, the claimants filed an interpretation, dated August 18, 1949, of the Supreme Court of Yugoslavia regarding the Yugoslav laws of inheritance. Thus, claimants appear to be attacking the decree collaterally. They have filed no evidence indicating a denial of justice, as that term is generally accepted in international law, or that the decree was obtained by irregular means or that it was clearly erroneous. In the absence of such evidence, the Commission finds no basis for questioning the validity or effectiveness of the decree.

It is sufficient to observe that Paul Freund, having died prior to the death of his mother, Malvina Freund, never acquired an interest in the estate of his deceased mother. Accordingly, since Malvina Freund owned the entire interest in the property registered under Docket No. 683, Zagreb, neither Paul Freund nor his estate acquired any interest therein, and claimants could not, accordingly, have inherited any interest in that property through him. With respect to claimants' allegation that the decree of June 11, 1950, was of a confiscatory character which deprived them of their rightful interest through him of an additional interest in their deceased mother's estate, it is sufficient to note that even were we to concede that the court as an organ of the Yugoslav Government did confiscate such interests through the decree, such a taking was subsequent to July 19, 1948, the date of the Yugoslav Claims Agreement of 1948 and consequently not within the jurisdiction of this Commission. The Decree of Inheritance dated December 10, 1953 discloses that the Estate of Paul Freund, deceased, consisted of a one-eighth interest in the property recorded under Docket 826, Crkvenica. It should be noted that Paul was the owner of record of this one-eighth interest even while his mother was alive. We hold, therefore, that claimants Milan Freund and Ann Neuberger each had a one-fourth interest in the property registered under Docket No. 683, Zagreb.

Based on reports by the Yugoslav Government and this Commission's investigator, we find that the real property registered under Docket No. 683, Zagreb, was taken on August 17, 1947, pursuant to the Abandoned Property Law of August 2, 1946, as amended (Official Gazette No. 64, of August 9, 1946, and No. 105 of December 27, 1946).

As to the value of the property registered under Docket No. 683, Zagreb, no corroborating evidence has been filed by claimants. A three-party Commission designated by local Yugoslav authorities and an investi-

gator for this Commission independently appraised the property on the basis of 1938 values.

The Commission is of the opinion, on the basis of all evidence and data before it, that the fair and reasonable value of the property recorded under Docket No. 683, Zagreb was 11,000,000 dinars as of the year 1938.* Therefore, the value of the one-fourth interest each owned by Milan Freund and Ann Neuberger was 2,750,000 dinars.

The land extract for this property filed by claimants records two mortgages each in the amount of 2,000,000 dinars in favor of the Municipal Savings Bank of Zagreb. However, the claimants have filed a document dated January 14, 1954, from the National Bank of Yugoslavia, "Central" for the National Republic of Croatia, Branch 406, Zagreb, attesting that: "The balance of the debt existing on October 19, 1944, in the amount of kuna 2,503,734 has been paid on this day by the former office of the State Property of the Independent State of Croatia, and is therefore the claim of the former City Savings Bank in Zagreb fully paid." These encumbrances will, therefore, be disregarded.

Under the laws of Yugoslavia, persons who succeed to real property by inheritance, such as claimants Milan Freund and Ann Neuberger, are obligated to pay inheritance taxes on the value of the property (See Law Concerning Direct Taxation, effective January 1, 1946, Article 24, Official Gazette No. 854, November 20, 1945). The People's Court is prohibited from transferring title to the heirs unless and until such inheritance taxes are paid (Revised Law Concerning Direct Taxation of August 14, 1946, Article 64, Official Gazette No. 67, August 20, 1946). Thus, the value under local law of an heir's interest in real property must be regarded as being the value of the property less the inheritance taxes charged against it and which must be paid before the transfer of title can be accomplished. As awards may be made only for the value of the property taken or, as is the case here, for the value of interests in property, deductions must be made for inheritance taxes.

Under the applicable tax law (Inheritance and Gift Tax Law of March 18, 1947 (Official Gazette No. 25, March 26, 1947), the tax on property valued at 2,750,000 dinars is 19%, if inherited by a child, or 522,500 dinars. That amount deducted from 2,750,000 dinars leaves 2,227,500 dinars as the value of each one-fourth interest. Converting this figure at the rate of 44 dinars to \$1, the rate adopted by the Commission in making awards based on evaluations as of the year 1938,* equals \$50,625.00 each for claimants Milan Freund and Ann Neuberger.

With respect to the business and industrial holdings for which claim is made, claimants allege that in 1945 the interests inherited by the children of Matija Freund, father of claimants Milan Freund and Ann Neuberger, were as follows:

- (1) Zagrebacka Dionicka Tvornica Papera (Zagreb Paper Manufacturing Corporation) -- 49,218 shares out of a total of 50,000 shares with a par value of 200 dinars each;
- (2) Lipa Mill Tvornica, Kuverata i Konfekcija, Papira D.D., (Lipa Mill Envelope and Paper Processing Corporation), Zagreb -- 24,465 shares out of a total of 30,000 shares, with a par value of 100 dinars each;
- (3) Golub Tvornica Papirnate Robe D.D., (Paper Goods Manufacturing Corporation), Zagreb -- 960 shares out of a total of 1,000 shares with a par value of 1,000 dinars each;
- (4) Mapa Tvornica, Listovnih Kutija I, Ma pa D.D., (Mapa Envelope, Boxes and Maps Manufacturing Corporation) Zagreb -- 856 out of a total of 1,000 shares outstanding with a par value of 1,000 dinars each;
- (5) Jugoslavansko Bates, D.D., Zagreb -- 45 percent owned by the Freund family with 55 percent owned by a subsidiary of the American Bates Company in Vienna;
- (6) Beogradska Fabrika, Javerata Lipa Mill, A.D., Belgrade (Belgrade Envelope Factory "Lipa Mill" Corporation) -- 960 shares with a par value of 1,000 dinars each;
- (7) Privilegovna Agrarna Banka (Privileged Agrarian Bank) -- 125 shares acquired at a cost of 5,000 dinars by the late Matija Freund.

The claimants allege that in 1935 and before his death on December 25 of that year, Matija Freund, the father of claimants Milan Freund and Ann Neuberger, intending to retain the above industrial interests

within his family and anticipating certain family differences, transferred his holdings then deposited with the National Bank of Yugoslavia, to his son-in-law, Paul Neuberger, for a nominal consideration. The latter was to act as "trustee" and hold such shares for the benefit of the children of Matija Freund. Claimants further allege that the "trust" provided that if any one of the children should withdraw from the business because of any differences that might arise, or if one of such children should die, the entire block of stock should be held by Paul Neuberger for the benefit of the remaining children, but there was no effective distribution of the stock as it was vested in the name of Paul Neuberger.

In support of these allegations, claimants have filed a photocopy of a power of attorney dated in Crkvenica on December 19, 1935, executed by Matija Freund before the Notary Public Zlatko Saffaric. The document gives to Paul Freund a general power of attorney and especially authorizes him to dispose "for me and in my name, irrevocably and without limitation" of the shares of the "Golub First Croatian Cigarette Paper and Sheath Factory," in liquidation in Zagreb, as well as the other securities which were on deposit in the Zagreb Branch of the National Bank. Claimants have also filed a certified extract from the Book of Records (Reparatorium) of the Notary Public Zlatko Saffaric referring to a statement dated December 23, 1935, by which Matija Freund

"Confirms and takes notice of all depositions by which his attorney in fact Mr. Paul Freund authorized by power of attorney of December 19, 1935, transferred the whole deposit of stock which is with the National Bank of the Kingdom of Yugoslavia Branch in Zagreb to Mr. Paul Neuberger, attorney at law in Zagreb by which aforementioned statement he is taking notice that his attorney in fact Paul Freund authorized the National Bank Branch in Zagreb to transfer the above-mentioned deposit of stock in the name and in favor of Dr. Paul Neuberger."

As further evidence of the transfer of the stock to Paul Neuberger, claimants have submitted what purports to be a copy of an undated letter from Paul Freund to the Zagreb Branch of the National Bank of the Kingdom

of Yugoslavia. The letter states that on the basis of the power of attorney of December 19, 1935, issued by Matija Freund and verified by the Notary Public Zlatko Saffaric, the right of disposition of the following securities deposited with the First Croatian Savings Bank for the account of Matija Freund had been transferred to him (Paul Freund):

<u>Par Value</u>	<u>No. of Shares</u>	<u>Kind</u>
500,000	1,000	Privilegovna Agrarna Banka
1,531,600	7,658	Zagrebacka Dionicka Tvornice Papira
2,000,000	10,000	" " " "
1,125,000	11,250	Lipa Mill Tvornice, D.D.
119,850	2,397	Rozankovski i drug, D.D. (Rozankovski & Co., Inc.)
2,975,000	5,940	Golub Tvornice Cigaret Papirnate
92,200	1,844	Zagrebacka Dionicka Tvornice Papira
150	3	" " " "

The letter concludes:

"I hereby dispose over the above deposit so that all the aforesaid securities shall be booked with you in favor and put in deposit of Dr. Paul Neuberger, attorney at law in Zagreb, with the provision that all these securities remain also further blocked on your behalf."

The statement "agree with above disposition" is purportedly signed at the foot of the letter by Paul Neuberger.

A purported copy of a letter of December 28, 1935, from the Zagreb Branch of the National Bank to Paul Neuberger refers to the latter's letter of December 24, 1935, and confirms receipt of the following documents:

- "a) General Power of Attorney issued to Paul Freund, industrialist, in Zagreb, which has been given to him by Matija Freund in Crkvenica on December 19, 1935, and whose signature mark is being verified by the Notary Public Mr. Slatko Saffaric under No. Rept. 1220.*
- "b) The letter addressed to our Bank, of December 20, 1935, which has been signed by Paul Freund, as General Attorney in Fact of Matija Freund, and which you have co-signed.
- "c) Statement, dated Crkvenica December 23, 1935, respectively provided with signature mark of Matija Freund, whose signature mark has been verified by the Notary Public Zlatko Saffaric under No. Rept. 1121.*

* Claimants have filed evidence that "documents of the former notary public Mr. Zlatko Saffaric, registered under current numbers Rept. 1001 to 1458" were destroyed during the war.

"d) Statement, dated Zagreb, December 23, 1935, signed by you on which your signature has been verified by the Notary Public Dr. Stjepan Belaj, under No. Rep. 1423/35." *

The letter continues that on the basis of the above documents the shares listed in the letter to the Bank from Paul Freund are transferred from the name of Matija Freund to the name of Dr. Paul Neuberger. The letter adds:

"On basis of the aforementioned documents and your statement of December 23, 1935, these securities remain further as collateral of our Bank for the claim of direct credit of Dinars 2,000,000.00 and indirect credit through the First Croatian Savings Bank of Dinars 5,000,000.00, which credits have been used by the Zagrebacka Dionicke Tvornica Papira (Zagreb Paper Manufacture Inc.) and the Lipa Mill Manufacture of Envelopes and Converting of Paper Inc. and the 'Golub' First Croatian Manufacture of Cigaret Paper and Filters, Inc., in Liquidation, of Zagreb.

"We are informing you also that . . . we are obliged to return to the First Croatian Savings Bank the above deposit after the claim of our Bank is paid in full with regard to the direct, as well as the indirect credit, as this deposit of the securities has been given by the aforementioned Bank and which requested by its letters (sic) of December 24 of this year that this deposit be returned after payment of our claim."

In an affidavit of July 6, 1953, Dr. Dragutin Huber, a former employee of the First Croatian Savings Bank, swears that as security for loans made by the First Croatian Savings Bank to the Zagrebacka Dionicka Tvornice Papira (hereafter referred to as "Zagrebacka") the principal shareholder in the latter, Matija Freund, deposited "papers of value." In 1933, "the papers of value" were deposited with the National Bank as security for loans from the latter to Zagrebacka "and especially for a direct credit of Dinars 2,000,000 and for an indirect credit of Dinars 5,000,000." The affiant further swears that in accordance with a "disposition" of Paul Freund the "papers of value and effects" deposited with the National Bank were transferred in December 1935 in the name of Dr. Paul Neuberger, "so that he had the full right of disposition with these papers, after the debts of the Zagrebacka Dionicka Tvornice Papira

* Claimants have filed evidence that "documents of the former notary public Mr. Zlatko Saffaric, registered under current numbers Rpt. 1001 to 1458" were destroyed during the war.

"of Zagreb to the National Bank of Zagreb and to the First Croatian Savings Bank of Zagreb, will be fully paid."

The claimants allege that in 1939, before the commencement of the war, Ladislav Freund left Yugoslavia for Israel and that early in 1940 Paul Neuberger and Milan Freund emigrated to the United States. Before leaving Yugoslavia, they allege, Paul Neuberger and Milan Freund deposited 26,000 shares of stock of Zagrebacka with Mrs. Ljubovic Cukovic of Belgrade, while the other half remained to be used in their absence "for holding general meetings, etc., and to show an organized enterprise because of the consequences of the anti-Jewish legislation." They further allege that in 1946, Mrs. Cukovic registered 13,000 shares each in the names of Paul Neuberger and Milan Freund. Claimants have filed supporting evidence that pursuant to Article 7, paragraph 2 of the Decree Concerning the Issuance and Reporting of Stocks of June 17, 1946 (Official Gazette No. 50 of June 21, 1946) Mrs. Cukovic deposited 26,000 shares of stock in Zagrebacka with the Franco-Serb Bank in Belgrade in her name. At the same time she declared that the shares were given to her for safekeeping by Paul Neuberger at the end of 1940 as the property of Milan Freund and Paul Neuberger because of the fear that the shares would be confiscated since both were Jews. The Yugoslav Government concedes the registration of these shares, but asserts on the basis of its investigations that they were registered as the property of Milan Freund and Ann Neuberger. With respect to this matter the claimant Milan Freund in an affidavit of March 9, 1954, swears that:

"Before we left, Paul Neuberger tried to secure the stock by fictitious transfers and depositing it with dummies, especially 50% of the stock of the main enterprise, the Zagrebacka Dionicka Tvornice Papira, he deposited with some friends of ours, Mr. and Mrs. Cukovic, in Belgrade. The other shares had been held in the safe of the firm Beogradska Fabrika Kuverata Lipsa Mill, where they were bombed at the end of the war."

Further evidence with respect to the ownership of stock in all the enterprises except the Privileged Agrarian Bank and Beogradska Fabrika is provided in a decision dated November 23, 1945, of the County Court for the Second and Third Sections of Zagreb pursuant to the Law Against Illicit Speculation and Economic Sabotage of April 23, 1945 (Official Gazette No. 26 of April 25, 1945). By that decision all real and personal property, including shares, in the territory of Yugoslavia of the following enterprises was confiscated:

Zagrebacka Dionicka Tvornica Papira
Lipa Mill Tvornica, D.D.
Golub Tvornica, D.D.
Mapa Tvornica, D.D.
Jugoslavansko Bates, D.D.

The decision declares that Zagrebacka Dionicka Tvornica Papira had a total of 50,000 shares which were held as follows:

Ljubo Cusovic :	15,500	shares
Paul Freund :	7,900	"
Alex. Loschitz:	2,930	"
Dr. Kisovec :	10,000	"
Malvina Freund:	<u>12,980</u>	"

Total 49,218 shares *

The decision adds that the balance of "800" shares were "lent" to industrialists as members of the Board of Directors and the Control Board.

The decision also declared that Zagrebacka was owned by the Freund family which had a part of their shares registered in the name of their attorney Kisovec, and "probably" Ljuba Cukovic because of anti-Semitic measures.

As to Lipa Mill Tvornica, D.D., the opinion declared that it had a share capital of three million dinars divided into 30,000 shares of 100 dinars each held as follows:

Zagrebacka :	24,465	shares
Franjo Latkovic :	3,000	"
Zlatko Ivo Kugli and the minor, Rudolf Kugli:	2,500	"
Smaller stockholders :	<u>35</u>	"

Total 30,000 shares

* This total is in error. It should be 49,310.

As to Golub Tvoronica, D.D., the decision states that it had a share capital of one million dinars divided into 1,000 shares of 1,000 dinars each, of which Zagrebacka owned 960 shares and other stockholders 40 shares.

With respect to Mapa Tvoronica, D.D., the decision declares that it had a share capital of one million dinars divided into 1,000 shares as follows:

Zagrebacka	:	856 shares *
Franjo Iatkovic	:	100 "
Smaller stockholders:		35 "
Total		<u>1,000</u>

Finally, the decision states that 45% of the shares of Jugoslavansko Bates, D.D. belonged to Zagrebacka and 55% to the firm Napiag.

The above decision was appealed and by a decision of February 6, 1946, the Supreme Court of Croatia confirmed it so far as the confiscation of the above-named enterprises was concerned. By Article 13 of the Law Against Illicit Speculation and Economic Sabotage, supra, the judgment on appeal is final.

The evidence as to the ownership of the companies is conflicting and cannot be reconciled. We are persuaded, however, that the evidence establishes that claimants Milan Freund and Ann Neuberger owned substantial interests in the enterprises on the date of taking, February 6, 1946.

We do not find, however, that Paul Neuberger ever became a trustee of the shares listed in the letter from the Zagreb Branch of the National Bank of Yugoslavia. It is well known that the civil law does not recognize the institution of trust and no trusteeship was created under the laws of Yugoslavia by the transaction in 1935 whereby certain shares were transferred to Paul Neuberger. While the shares listed in the letter from the Bank may have been acquired by Paul Neuberger in 1935, we are

* The decision is obviously in error as to this figure, and it should be 865.

not satisfied, because of the many discrepancies in the evidence, that ownership of those shares remained -- as set out in the letter -- in Paul Neuberger on the date of taking.

We conclude that the evidence establishes that the 26,000 shares of Zagrebacka deposited by Mrs. Ljubovic Cukovic in the Franko-Serb Bank in Belgrade pursuant to the Decree of June 17, 1946, supra, were owned by Ann Neuberger and Milan Freund, one-half to each. We further find, in accordance with the decision of November 25, 1945, that Paul Freund owned 7,900 shares of Zagrebacka and that Malvina Freund owned 12,980 shares of Zagrebacka. Furthermore, in accordance with the decree of inheritance filed by claimants, we find that Milan Freund and Ann Neuberger each inherited one-third of the shares owned by Paul Freund and one-fourth of the shares owned by Malvina Freund in Zagrebacka. Therefore, on the date of taking 18,878 shares in Zagrebacka (37.756%) were owned by Milan Freund and that 18,878 shares were owned by Ann Neuberger. We further find that the claimant Paul Neuberger did not own any shares in Zagrebacka on the date of taking, and his claim is, therefore, denied.

Although claimants allege ownership of shares directly in Lipa Mill Tvornica, Golub Tvornice, Mapa Tvornica and Jugoslavansko Bates, we conclude, in accordance with the decision of November 25, 1945, that no shares were held directly in these companies by claimants, but that Zagrebacka owned stock in these companies as follows:

Lipa Mill Tvornica :	24,465 shares of 30,000 shares outstanding	(81.55%)
Golub Tvornica :	960 shares of 1,000 shares outstanding	(96%)
Mapa Tvornica :	865 shares of 1,000 shares outstanding	(86.5%)
Jugoslavansko Bates:	45%	

According to a decision of the District Court of Zagreb, No. R.170, of September 20, 1954, the value of the enterprises was determined as follows:

Zagrebacka :	53,114,566 dinars
Golub Tvornica :	3,016,830 "
Lipa Mill Tvornica :	9,805,571 "
Jugoslavanska Bates:	3,304,314 "
Mapa Tvornica :	3,288,423 "

It is noted, however, that the fractional interests of Zagrebacka in the other companies set out in the decision of September 20, 1954, differ from the fractional interests determined in the decision of November 23, 1945, confiscating the enterprises.

Two of this Commission's experts have evaluated the five companies. One has analyzed the companies' available records and inspected the premises. The other has appraised physical assets. Based on their evaluations and all other evidence and data before the Commission, we find the value of the enterprises, including inventory, to be as follows:

Zagrebacka	:	\$965,650	✓
Golub Tvornica	:	60,710	✓
Jugoslavanska Bates:		63,840	✓
Lipa Mill Tvornica :		106,070	✓
Mapa Tvornica	:	38,560	✓

Zagrebacka's interest in its four subsidiaries was, therefore:

Golub Tvornica	:	96%	✓	or	\$58,281.60	✓
Jugoslavanska Bates:		45%	✓	or	28,728.00	✓
Lipa Mill Tvornica :		81.55%	✓	or	86,500.09	✓
Mapa Tvornica	:	86.5%	✓	or	33,354.40	✓

Accordingly, we find the total value of Zagrebacka to be \$1,172,514.09.

As to the value of claimants' interests in Zagrebacka, Milan Freund and Ann Neuberger each owned 37.756% or \$442,694.42.

While evidence has been filed that claimant Paul Neuberger acquired 1,000 shares of the Privilegovna Agrarna Banka in 1935, there is no evidence establishing continuity of ownership, or that 125 of these shares were owned by any of the claimants on the alleged dates of taking. No evidence whatsoever has been submitted showing that Beogradska Fabrika, Belgrade, was owned directly or indirectly by claimants at any time. Furthermore, neither the Yugoslav Government nor our investigator was able to furnish supporting evidence with respect to either claim. Since the claimants have not sustained the burden of proving ownership in these two companies, the claim with respect to such property is denied.

The Commission is of the opinion, on the basis of all evidence and

data before it, that the claim of Paul Neuberger must be denied and that the fair and reasonable value of all property of claimants Milan Freund and Ann Neuberger which was taken by the Government of Yugoslavia was \$493,319.42, respectively.*

DECISION

On the above evidence and grounds, the claim of Paul Neuberger is denied and the claims of Milan Freund and Ann Neuberger are allowed to the extent indicated, and awards are hereby made to Milan Freund and Ann Neuberger, claimants, each in the amount of \$493,319.42, with interest on \$50,625.00 and \$442,694, respectively, of that amount from August 17, 1947, and February 6, 1946, the respective dates of taking, at 6% per annum to August 21, 1948, the date of payment by the Government of Yugoslavia, in the amount of \$3,070.76 and \$67,386.44, respectively, a total of \$70,457.20 interest to each.*

Dated at Washington, D. C.

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* For the Commission's reasons for use of 1938 valuations, use of exchange rate of 44 to 1, and the allowance of interest, see attached copy of its decision in the claim of Joseph Senser.

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Docket No. Y-1670

Decision No. 1486

Counsel for Claimants:

PAUL NEUBERGER,
16 West 46th Street,
New York 36, New York.

approved
to
12-27-54

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 29 1954

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