

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON 25, D. C.

IN THE MATTER OF THE CLAIM OF

MIKE N. TERPINAS
213 North Main Street
Frankfort, Indiana

Against the Government of Rumania

Under the International Claims Settlement
Act of 1949, as amended

Claim No. RUM-30,091

Decision No. RUM-151

GPO 16-72126-1

Counsel for claimant:

Appleton & Lupear
801 Peoples Bank Building
136 East Market Street
Indianapolis, Indiana

PROPOSED DECISION

This is a claim under the provisions of the International Claims Settlement Act of 1949, as amended, against the Government of Rumania by MIKE N. TERPINAS, a citizen of the United States since June 27, 1919, the date of his naturalization.

Claimant states that on March 20, 1923 he purchased from the Union Trust Company of Indianapolis, Indiana, a foreign draft in the amount of 10,000 Lei payable in Bucharest, Rumania, by the Banque Commerciale Roumaine; that payment thereof was refused, and that his purchase price was never returned. In addition to the foregoing, the claim is based on ownership of Rumanian currency, with a total face amount of 240.00 Lei and, presumably, loss sustained in connection with such holding.

Section 303 of the Act provides, inter alia, that the Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amount of claims of nationals of the United States against the Government of Rumania for failure (1) to restore or pay compensation for property of nationals of the United States as

required by Articles 24 and 25 of the treaty of peace with Rumania; (2) to pay effective compensation for the nationalization, compulsory liquidation, or other taking, prior to August 9, 1955 of property of nationals of the United States in Rumania, and (3) to meet certain obligations expressed in currency of the United States.

It is clear from Section 303, under which this claim is filed, and from other provisions of the Act that relief with respect to property interests in Rumania under the Act is provided for solely in the case of claims against the Government of Rumania.

Accordingly, that part of the claim which is based on the 10,000 Lei draft being based on a private transaction involving no acts or failures to act on the part of the Rumanian Government which might bring the claim within the purview of the above-mentioned statute must be considered outside of its scope.

That part of the claim which is based on Rumanian currency can not be considered a nationalization, compulsory liquidation or other taking of property within the purview of Section 303(2) because it is well established that a currency reform resulting in devaluation of a nation's currency 1/ is an exercise of sovereign authority which does not give rise to a cause of action against the nation in question. Moreover, a claim based on ownership of foreign currency does not, for obvious reasons, fall within Section 303(3) of the Act which provides for claims based on obligations expressed in currency of the United States.

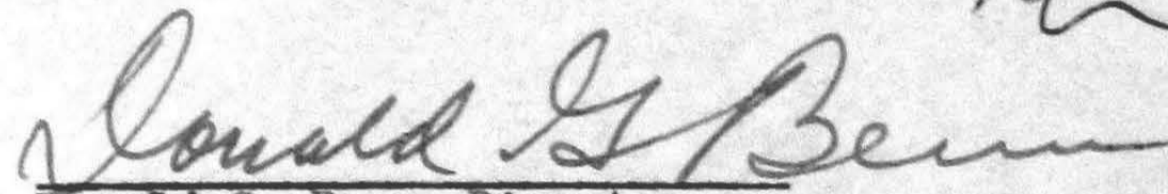
1/ Section 6 of Law No. 287 of August 15, 1947, Rumanian Official Gazette No. 186, provided for exchange of old currency into new at the ratio of 20,000 lei of the old currency for one Leu of the new currency.

Accordingly for the foregoing reasons, this claim is denied. The Commission finds it unnecessary to make determinations with respect to other elements of this claim.

Dated at Washington, D. C.

JUN 12 1957

FOR THE COMMISSION:

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MB

Donald G. Benn, Director
Balkan Claims Division