

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

IN THE MATTER OF THE CLAIM OF

MARA PALMER

Claim No. BUL-2-022

Decision No. BUL-2-

53

Under the International Claims Settlement  
Act of 1949, as amended

Counsel for claimant:

Hall, McNicol, Marett & Hamilton  
By Blake T. Newton, III, Esq.

PROPOSED DECISION

This claim, in the amended amount of \$30,000.00, against the Government of Bulgaria under Section 303(4), Title III, of the International Claims Settlement Act of 1949, as amended, is based upon the asserted ownership and loss of a cooperative apartment at No. 2 Ivan Assen II Street, in Sofia, Bulgaria. The claimant, MARA PALMER, has been a national of the United States since her naturalization on April 25, 1955.

Under Section 303, Title III, of the International Claims Settlement Act of 1949 (69 Stat. 570 (1955), 22 U.S.C. §§1641-1641q (1964)), as further amended by Section 10 of Public Law 90-421, approved on July 24, 1968 (82 Stat. 420 (1968)), the Commission is given jurisdiction over certain claims of nationals of the United States included within the terms of the Bulgarian Claims Agreement of 1963, which provides, among other things, for

(b) Claims of nationals of the United States of America for the nationalization, compulsory liquidation or other taking of property and of rights and interests (direct and indirect) in and with respect to property prior to the effective date of this agreement; (Article I(1)(b) of Agreement Between the Government of the United States of America and the Government of the People's Republic of Bulgaria Regarding Claims of United States Nationals and Related Financial Matters, July 2, 1963, 14 UST 969, TIAS 5387 (1963)).

A document, entitled Deed for Ownership of Inherited Property, shows, and the Commission finds that the claimant, MARA PLAMER, inherited a 1/3rd interest in the cooperative apartment No. 2-G at No. 2 Ivan Assen Street in Sofia, Bulgaria, from her late mother, Sofka Gheorghiev Srebrov, on March 7, 1958.

Inasmuch as the claimant was a national of the United States on March 7, 1958, her inherited interest became subject to the provisions of Bulgarian Decree No. P-311 of May 22, 1953. This decree provided for the management of foreign-owned real property in Bulgaria by the governmental enterprise JILFOND.

Although the foreign national owner had the right to appoint his own agent, the Government still retained effective control over the property as well as the owner's agent, in part, by keeping the controlled rent at an unreasonably low level and in part by compelling the owner's agent to perform all maintenance and repairs. Consequently, appointing an agent would have resulted in additional expenses for the owner without any practical benefit for himself. Any income from the property which remained was deposited with the DSK (State Savings Bank of Bulgaria). However, such deposit was made in a blocked account subject not only to foreign exchange regulations but also special regulations which made the realization of any benefits from the deposited amounts, if any, impractical. Accordingly, the Commission finds that these provisions, for all practical purposes, resulted in the complete loss of the owner's use and enjoyment over his property.

The true adverse nature and objective of such governmental control of the property is revealed by subsequent legislation, namely, by Decree No. 13, dated April 4, 1969, of the Council of Ministers which, in its pertinent part, provides that in cases where the foreign owner did not appoint an agent, the State would acquire title to the

property by adverse possession after the completion of the statutory period. In short, when real property became owned by a foreigner, it was subject to governmental control and management, direct or indirect, which deprived the foreign owner from the use and enjoyment of his property and resulted eventually in its complete loss to the Government by adverse possession. Inasmuch as the foreign owner, in this case a national of the United States, lost all use and enjoyment of his property from the very date of its acquisition, in the instant claim by intestate succession on March 7, 1958, a formal transfer of title to the State of Bulgaria merely confirmed or was the culmination of a loss already sustained at an earlier date. Therefore, in this case the Commission finds that the 1/3rd interest, owned in the subject property by the claimant, MARA PALMER, was taken by the Government of Bulgaria on March 7, 1958.

It is asserted that the entire property had the value of \$30,000.00 as of the date of loss.

The evidence, mentioned above, shows, that the subject apartment consisted of three dwelling rooms, a kitchen, a bathroom, a hall, vestibule, two balconies, and a share in the jointly used premises of the building.

On the basis of all evidence of record, including evidence of value of comparable property in Bulgaria, the Commission finds that on the date of loss the entire apartment had the value of \$10,500.00, of which the claimant's one-third interest amounted to \$3,500.00; and concludes that the claimant is entitled, under Section 303(4) of the Act, supra, to compensation in such latter amount.

A portion of the claim is based upon an additional two-thirds interest in the subject property. This two-thirds interest was originally owned by the claimant's late mother, Sofka Gheorghiev Srebrov, and was inherited in equal shares by her surviving husband, Gheorghi I. Srebrov, and her

son, Anghel G. Srebrov, in equal shares upon her death on March 7, 1958. Subsequently, on January 3, 1965, Gheorgi I. Srebrov and Anghel G. Srebrov executed a document renouncing their respective interests in the apartment in question in favor of the claimant. The Commission finds that such renunciation had no retroactive effect and that in effect it was in the nature of an assignment which took effect on the date when the document was executed, namely on January 3, 1965. Inasmuch as Gheorgi I. Srebrov and Anghel G. Srebrov never acquired nationality of the United States, the Commission concludes that their respective interests in the subject cooperative apartment were not owned by a national of the United States on March 7, 1958, the date when the claim arose and continuously thereafter until the filing of the claim with this Commission, as required for compensation. (Cf. Claim of Arthur Dobozy, et al., Claim No. HUNG-21,300, 10 FCSC Semiann. Rep. 55 Jan.-June 1959). Therefore, the portion of the claim which is made for the loss of an additional two-thirds interest in the subject property must be and it is hereby denied.


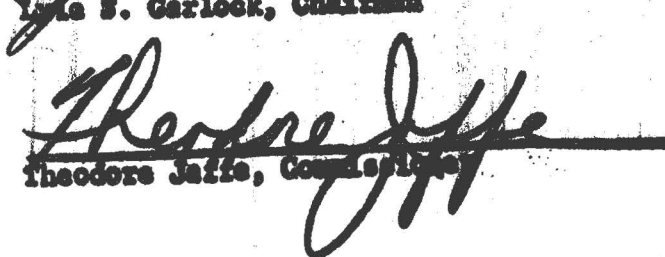
The Commission has held that in granting awards on claims under Section 303(4) of the Act for the nationalization or other taking of property interest shall be allowed at the rate of 6% per annum from the date of loss to July 2, 1963, the effective date of the Bulgarian Claims Agreement. (See Claim of John Hedio Proach, Claim No. PO-3197; FCSC Dec. & Ann. 549 (1969).

A W A R D

An award is made to MARA PALMER in the principal amount of Three Thousand Five Hundred Dollars (\$3,500.00), with interest thereon at the rate of 6% per annum from March 7, 1958, the date when the claim arose, to July 2, 1963, the date when the Bulgarian Claims Agreement entered into force, in the sum of One Thousand One Hundred Seventeen Dollars and Ten Cents (\$1,117.10).

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

**SFP 1 1971**


  
Louis S. Garlock, Chairman  
  
Theodore Jaffe, Commissioner

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.)

CERTIFICATION

This is a true and correct copy of the decision  
of the commission which was entered as the final  
decision on SEP 30 1971

BUL-2-022

  
Clerk of the Commission