

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

IN THE MATTER OF THE CLAIM OF

GABOR L. CZAKO

Under the International Claims Settlement  
Act of 1949, as amended

Claim No. HUNG-2-867

Decision No. HUNG-2-1233

Counsel for Claimant:

Regosin, Edwards, Freeman  
& Stone  
by Andrew Freeman, Esquire

Appeal and objections from a Proposed Decision entered on January 5, 1977.

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Oral Hearing held on March 24, 1977.

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FINAL DECISION

This claim in the asserted amount of \$114,000.00 against the Government of Hungary, under subsection 303(5), Title III of the International Claims Settlement Act of 1949, as amended, is based upon the asserted loss of four building parcels, one at No. 76 Fodor Street in Budapest, two in Balatonfured, one in Balatonkenese, and one in Koszeg, all in Hungary.

Claimant, GABOR L. CZAKO, acquired nationality of the United States by naturalization on June 4, 1956.

By Proposed Decision dated January 5, 1977, an award in the principal amount of \$24,300.00 plus interest for the properties in Budapest and Balatonfured was granted to the claimant. Lot No. 4250 in Balatonfured, and Lot No. 3920/4 in Liber No. 1178 of Balatonkenese were denied for lack of proof to establish a taking. The real property in Koszeg was denied for claimant's failure to establish ownership as well as a taking.

Claimant, through counsel, filed objections to the Proposed Decision asserting that the denial of the claim for property in Balatonkenese was in error, and requested an oral hearing.

Counsel and claimant appeared at the oral hearing held on March 24, 1977, and claimant testified in support of his objections.

Based upon the claimant's testimony, evidence of record and counsel's arguments, the Commission now finds that the claimant owned unimproved real property some 337 square öl in area, recorded in Liber No. 1178 as Lot No. 3920/4 in Balatonkenese which was taken by the Government of Hungary on May 1, 1970, in reliance upon Act 1959:IV, and Law-Decree 1960:11, by the law of adverse possession.

While the Commission notes that the acquisition of title by a private party to property by adverse possession does not give rise to a claim under international law, the Commission concludes that the circumstances in the instant case establish that the taking by the Hungarian Peoples Army of legal title to the claimant's property, in reliance upon the laws of adverse possession, where claimant and his predecessor in interest were excluded from the property during the period of adverse possession, is an indirect means of expropriation and that compensation therefor is authorized under subsection 303(5) of the Act, supra.

At the time of filing, claimant asserted that the subject property had the value of \$24,000.00 on the date of loss.

Based upon all the evidence of record, including evidence of the value of comparable property in Hungary, the Commission finds that the 337 square öl of unimproved real property in the Lake Balaton area of Hungary had the value of \$10,100.00 on the date of loss, and that claimant, GABOR L. CZAKO, is entitled to compensation under subsection 303(5) of the Act, supra, in such amount.

Accordingly, it is

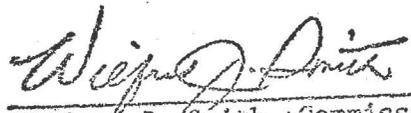
ORDERED that the Proposed Decision be amended in accordance with the foregoing and in all other respects be affirmed; and that the award be restated as follows:

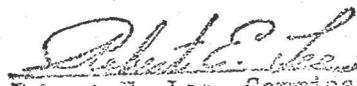
A W A R D

An award is hereby made to GABOR L. CZAKO in the principle amount of Thirty-four Thousand Four Hundred Dollars (\$34,400.00), with interest thereon at the rate of 6% per annum on \$10,100.00 from May 1, 1970, on \$14,000.00 from July 3, 1963, and on \$10,300.00 from November 16, 1961, the dates when the claim arose, to March 6, 1973, the date when the Hungarian Claims Agreement entered into force, in the total sum of Sixteen Thousand Eight Hundred Thirty-nine Dollars and Eighteen Cents (\$16,839.18).

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

12 MAY 1977

  
\_\_\_\_\_  
Wilfred J. Smith, Commissioner

  
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Robert E. Lee, Commissioner

This is a true and correct copy of the decision  
of the Commission which was entered as the final  
decision on

12 MAY 1977

  
\_\_\_\_\_  
Francis V. Weston  
Executive Director

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IN THE MATTER OF THE CLAIM OF

GABOR L. CZAKO

Under the International Claims Settlement  
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Claim No. HUNG-2-867

Decision No. HUNG-2-1233

Counsel for Claimant:

Regosin, Edwards, Freeman & Stone  
by Andrew Freeman, Esquire

PROPOSED DECISION

This claim in the asserted amount of \$114,000.00 against the Government of Hungary, under subsection 303(5), Title III of the International Claims Settlement Act of 1949, as amended, is based upon the asserted loss of four building parcels, one at No. 76. Fodor Street in Budapest, two in Balatonfüred, one in Balatonkenese, and one in Kőszeg, all in Hungary.

Claimant, GABOR L. CZAKO, acquired nationality of the United States by naturalization on June 4, 1956.

Under section 303, Title III of the International Claims Settlement Act of 1949, (69 Stat. 570 (1955)); 22 U.S.C. §§1641-1641g (1971), as amended by section (3) of Public Law 93-460, approved on October 20, 1974 (88 Stat. 1386 (1974)), and which implements certain provisions of the Hungarian Claims Agreement of March 6, 1973, (TIAS 7569), the Commission is given jurisdiction as follows:

The Commission shall receive and determine in accordance with applicable substantive law, including international law, the validity and amounts of claims of nationals of the United States against the . . . [Government of Hungary] . . . arising out of the failure to ---

(5) pay effective compensation for the nationalization, compulsory liquidation or other taking of property of nationals of the United States in Hungary, between August 9, 1955, and the date the United States-Hungarian Claims Agreement of March 6, 1973, enters into force.

In support of this claim the claimant submitted, through his counsel, a letter, dated January 16, 1976, by one Edit Röder, an attorney at law in Budapest, Hungary, certificates of death concerning his late parents, and an affidavit of heirship. On the basis of such evidence the Commission finds as follows:

1. László Czakó, the claimant's late father, owned a building lot at No. 76 Fodor Street in Budapest XII, recorded in Liber 1895 as Lot No. 8636/6, having an area of 360 square öl, which was taken by the Government of Hungary on July 3, 1963.

2. The late László Czakó also owned the unimproved real property, recorded in Liber 1566 of Balatonfüred as Lot Nos. 2817/1 and 2818/1, having a combined area of 309 square öl, which was taken by the Government of Hungary on November 16, 1961. The loss, caused by the taking of that property was partially compensated by the 524 square öl of land, recorded in Liber 2616 of Balatonfüred as Lot No. 4250 (formerly 0147/17).

The claimant's parents, Leslie (László) J. Czakó and Mrs. Leslie J. Czakó nee Maria Mariette Tóth, both nationals of the United States from their naturalization on June 4, 1956, until their death, died intestate on October 12, 1962, and December 10, 1974, respectively. Thereby the claimant, their sole surviving issue, became the exclusive owner of the claim for compensation, based upon the loss of the above-mentioned properties.

The claimant values the building lot at No. 76 Fodor Street at \$36,000.00, and the unimproved real property in Balatonfüred at \$24,000.00.

The letter, dated January 16, 1976, from Edit Röder, shows that the land parcel at No. 76 Fodor Street was improved after its taking by the Government of Hungary by a condominium apartment house. The letter further shows that the real property in Balatonfüred is situated in the heart of Balatonfüred and it is a lake front property. On the other hand, the Commission finds that the 524 square öl of land, given as partial compensation is situated about 2 miles from the lake front, separated from Lake Balaton by the railroad track, in Szaka subdivision, a less desirable location.

On the basis of all evidence of record, including evidence of value of comparable property in Hungary, the Commission finds that the claimant's loss was as follows:

No. 76 Fodor Street in Budapest XII	\$14,000.00
Lot Nos. 2817/1 and 2818/1 in Balatonfüred, having a total value of \$12,360.00, less \$2,060.00, the value of Lot No. 4250 (formerly 0147/17), the compensation received,	10,300.00 <u>\$24,300.00</u>

Accordingly, the Commission concludes that the claimant, GABOR L. CZAKO, is entitled to compensation, under the terms of subsection 303(5) of the Act, supra, in the amount of \$24,300.00.

The record is void of evidence to show that Lot No. 4250 (formerly 0147/17) in Balatonfüred and the land parcel recorded in Liber 1178 of Balatonkenese as Lot No. 3920/4 were nationalized or otherwise taken by the Government of Hungary, if that was the case, and the date of such action.

Also, no evidence was submitted to establish the claimant's ownership of real property in Kőszeg, its nationalization or other taking by the Government of Hungary, and the date of such action.

Therefore, the portions of this claim, which are based upon Lot No. 4250 (formerly 0147/17) in Balatonfüred, Lot No. 3920/4 in Balatonkenese, and unidentified real property in Kőszeg, must be and it is hereby denied.

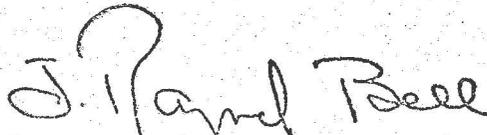
The Commission has concluded that in granting awards on claims under subsection 303(5) of the Act for the nationalization or other taking of property interest shall be allowed at the rate of 6% per annum from the respective dates of loss to March 6, 1973, the effective date of the Hungarian Claims Agreement. (See Claim of John Hedio Proach, Claim No. PO-3197; FCSC Dec & Ann 549 (1968)).

A W A R D

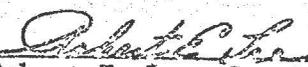
An award is hereby made to GABOR L. CZAKO in the principal amount of Twenty Four Thousand Three Hundred Dollars (\$24,300.00), with interest thereon at the rate of 6% per annum on \$14,000.00 from July 3, 1963, and on \$10,300.00 from November 16, 1961, the dates when the claims arose, to March 6, 1973, the date when the Hungarian Claims Agreement entered into force, in the total sum of Fifteen Thousand One Hundred Thirteen Dollars and Eighty Cents (\$15,113.80).

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

5 JAN 1977

  
\_\_\_\_\_  
J. Raymond Bell, Chairman

  
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Wilfred J. Smith, Commissioner

  
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Robert E. Lee, 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.)

The regulations also provide that after a Final Decision is entered denying a claim in whole or in part, the claimant may petition to have his claim reopened for further consideration if new and compelling evidence becomes available. Such petition must be filed at least 60 days prior to May 15, 1977, the statutory deadline for the completion of the Hungarian Claims Program. (FCSC Reg., 45 C.F.R. 531.5(1), as amended.)