

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

IN THE MATTER OF THE CLAIM OF

JOHN FRANO FRANUSICH
ANNA FRANUSICH

Claim No. Y2-0017

Decision No. Y2-
231

Under the Yugoslav Claims Agreement of 1964
and Title I of the International Claims
Settlement Act of 1949, as amended

PROPOSED DECISION

This claim, in the amount of \$16,000.00, is based upon the asserted ownership and loss of improved real property located in Zagreb, Yugoslavia. Claimants, JOHN FRANO FRANUSICH and ANNA FRANUSICH, have been nationals of the United States since their naturalization on December 28, 1910 and July 12, 1954, respectively.

Under Section 4(a) of Title I of the International Claims Settlement Act of 1949, as amended (64 Stat. 13 (1950), 22 U.S.C. §1623(a) (1958)), the Commission is given jurisdiction over claims of nationals of the United States included within the terms of the Yugoslav Claims Agreement of 1964, which provides, among other things:

"Article I (a) The Government of Yugoslavia agrees to pay, and the Government of the United States agrees to accept, the sum of \$3,500,000 United States currency in full settlement and discharge of all pecuniary claims of nationals of the United States, whether natural or juridical persons, against the Government of Yugoslavia, on account of the nationalization and other taking of property and of rights and interests in and with respect to property which occurred between July 19, 1948 and the date of this Agreement,"

Article II. The claims of nationals of the United States to which reference is made in Article I of this Agreement refer to claims which were owned by nationals of the United States on the date on which the property and rights and interests in and with respect to property on which they are based was nationalized or taken by the

Government of Yugoslavia and on the date of this Agreement." (Agreement between the Government of the United States and the Government of the Socialist Federal Republic of Yugoslavia Regarding Claims of United States Nationals, November 5, 1964, which entered into force on January 20, 1965, 16 U.S.T. & O.I.A. 1965, T.I.A.S. No. 5750 (1964).)

Claimants have submitted an extract from the land records of Zagreb, Liber no. 15143, a photograph of the subject property, a statement of cancellation of mortgage from the National Bank of the Federative People's Republic of Yugoslavia, dated December 10, 1962, and the decision of the People's Committee for the District of Maksimir, no. K. N.-894/1959, dated October 24, 1960. The Government of Yugoslavia has furnished the Commission with an appraisal of the subject property, dated April 17, 1963.

Based on all the evidence of record, the Commission finds that claimants were owners of a one-half interest each in improved real property located at no. 4 Rendiceva Street in Zagreb, Yugoslavia, recorded in Liber no. 15143 as parcel no. 1869/7 of the Cadastral District of the City of Zagreb, and consisting of 238 square meters of land and an apartment building containing 6 apartments and 2 separate rooms.

The Commission further finds that the subject property was nationalized by the Government of Yugoslavia on July 31, 1959 by virtue of the decision of the People's Committee for the District of Maksimir, decision no. 05/NZ 1/1/59, pursuant to the Law on Nationalization of Buildings for Rent and of Building Lots of December 26, 1958 (Sl. List (Yugoslavia), No. 52, Item 890, December 31, 1958). (See the Claim of Alexis G. Bacic, Claim No. Y2-0052, Decision No. Y2-1.) Exempted from nationalization and left in the ownership of claimant, JOHN FRANO FRANUSICH, were a two-room apartment and a one-room apartment, both on the first floor. Exempted from nationalization and left in the ownership of claimant, ANNA FRANUSICH, were a two-room apartment and a one-room apartment, both on the second floor.

The Commission has decided that the prewar (1938-1939) values reflect a better basis for the appraisal of property and are to be considered as the

point of reference for valuation purposes; that depreciation of the buildings during and after the war was largely set off by appreciation of real estate values after World War II; and that the prewar dinar currency shall be converted into United States currency at the rate of 44 dinars for \$1.00. (See the Claim of Alexis G. Bacic, (supra).)

Based on all the evidence of record, including claimants' asserted 1937 purchase price of \$16,000.00, the photograph, the official appraisal and the Commission's knowledge of the value of similar property in the area of Zagreb, the Commission finds that at the time of nationalization the value of the subject property was \$16,000.00.

Paragraph 2 of the Interpretative Minute to the Yugoslav Claims Agreement of 1964 provides as follows;

Properties or parts thereof which have been exempted from nationalization or other taking by the Government of Yugoslavia in accordance with the laws of Yugoslavia are not covered or settled by this Agreement.

The Commission is aware that apartments under the laws and regulations prevailing in Yugoslavia cannot be used by claimants as long as they are occupied by tenants and that claimants have no control over the selection of present or future tenants nor have they any means to evict a tenant, except under extraordinary circumstances not present here. Claimants, residents of the United States, obviously do not use the exempted apartments and their value to claimants is a fraction of the value which the apartments would be worth if the owners had the right to use them or to realize an adequate income therefrom. A sale of the occupied apartments is practicable to a very limited extent only and the proceeds of a sale, if any, would amount to a fraction of the sales price for an unoccupied apartment free for the use of the owner. Based upon Commission information concerning sales transactions concluded in Yugoslavia, the Commission finds that the value of the exempted apartments was \$2,015.58. Accordingly, the Commission finds that the value of claimants' interests in the subject property was \$13,984.42 and concludes that claimants are entitled to awards under the Agreement in amounts based on their respective shares in the claim.

The Commission has decided that in granting awards on claims under the Yugoslav Claims Agreement of 1964, interest shall be allowed at the rate of 6% per annum from the date of loss to January 20, 1965, the date on which the Agreement entered into force, and effect. (See the Claim of Alexis G. Bacic, (supra).) Accordingly, the amounts of the awards will be increased to that extent,

A W A R D S

An award is hereby made to JOHN FRANO FRANUSICH in the principal amount of Six Thousand Nine Hundred Ninety-Two Dollars and Twenty-One Cents (\$6,992.21) with interest thereon at 6% per annum from July 31, 1959 to January 20, 1965, the date on which the Yugoslav Claims Agreement entered into force, in the sum of Two Thousand Two Hundred Ninety-Four Dollars and Sixty-Three Cents (\$2,294.63) and

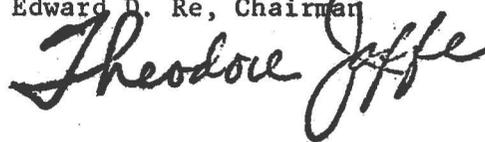
An award is hereby made to ANNA FRANUSICH in the principal amount of Six Thousand Nine Hundred Ninety-Two Dollars and Twenty-One Cents (\$6,992.21) with interest thereon at 6% per annum from July 31, 1959 to January 20, 1965, the date on which the Yugoslav Claims Agreement entered into force in the sum of Two Thousand Two Hundred Ninety-Four Dollars and Sixty-Three Cents (\$2,294.63).

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

JAN 24 1968



Edward D. Re, 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, 32 Fed. Reg. 412-13 (1967).)

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