

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

IN THE MATTER OF THE CLAIM OF

WILLIAM MICHAEL SCHASSEN
508 N. E. 3rd Avenue
Delray Beach, Florida

Under the International Claims Settlement
Act of 1949, as amended

Claim No.

NOV-41,074

Decision No.

NOV.

3089

GPO 16-72126-1

Counsel for Claimant:

WILLIAM J. HUGHES, JR.
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321 Fifteenth Street
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PROPOSED FINDINGS

This claim for \$250,000.00 against the Soviet Government under the provisions of Section 305(a)(2) of the International Claims Settlement Act of 1949, as amended, is based upon the loss sustained by the claimant as the owner of certain mortgages upon real and personal property located in the area of Mstertineslav, Russia, which property assertedly was confiscated by the Soviet Government.

The Commission finds that claimant is a national of the United States by virtue of his naturalization on September 23, 1895; that his wife, Rose Schassen, now deceased, had been a national of the United States by reason of her marriage to the claimant in 1902; that claimant

another loan for one hundred thousand (100,000) rubles to Tasha H. Rozov for six years, payable semiannually, with interest at 6% per annum, secured by a mortgage on her real property, consisting of the following: (1) a brick house divided into three apartments; (2) two other buildings divided into four apartments and a store; (3) an additional house for two families with two stores; (4) a building with five stores; (5) two wooden dwellings; (6) a large barn; and (7) an additional office building, all this property being located in Bolshi Tokmak, Russia; a third loan for one hundred thousand (100,000) rubles to Ekaterina H. Rozov for six years, payable semiannually, with interest at 6% per annum, secured by a mortgage on his property consisting of a brick building and other structures, located in Chtelnikovo, Russia.

No evidence has been submitted that, subsequent to the Bolshevik revolution in 1918, any of the merchandise, farm machinery, equipment, or other chattels mortgaged pursuant to the aforesaid first loan were in the warehouses and stores of the mortgagor, Rozov, or that any such property was ever confiscated by the Soviet Government; nor was any evidence furnished that the mortgagor's asserted failure to pay the loan of three hundred thousand (300,000) rubles, and interest thereon, secured by the chattel mortgage, was attributable to actions of the Soviet Government or of its predecessors. Accordingly, that part of the claim, in the amount of three hundred thousand (300,000) rubles, based upon the loan secured by the chattel mortgage, must be, and is hereby, denied.

On the other hand, the Commission finds that the real property,

herein, and two children, Nelson and Lee Schaeffer; that these two children assigned all their right, title and interest in this claim to the claimant; and that the latter has a valid claim for compensation of the loss of the mortgaged security in the aggregate amount of 200,000 rubles as of August 24, 1918.

Creditor claims have heretofore been considered by the Commission with specific reference to Section 303 only (In re Claims of European Mortgage Series B Corporation, Claim No. HUNG-22,020, Decision No. HUNG-1695). It was there held, by majority opinion, that in the light of legislative history and background and the language of Section 303 (which relates to claims against the Governments of Hungary, Rumania and Bulgaria), the only creditor claims which come within the purview of Section 303 are those which fall within the narrow confines of subsection 3 thereof. It was, however, pointed out in that decision that:

"It is not intended to find that a creditor claimant could under no circumstances show himself entitled to recover, particularly under a statute with different background, history and language . . ."

The background, history and language of Section 305 differ materially from that of Section 303 which follows an exclusionary pattern listing three specific classes of claims to be compensated. Section 303 on the other hand, contains no similar restrictions as to the type and scope of claims which may constitute the basis of an award against the Soviet Government.

Section 305(a)(2) of the Act provides:

"The Commission shall receive and determine in accordance
with the provisions of this subsection"

security, and that by reason thereof, claimant has a valid claim under Section 303(a)(2) of the Act as recited above.

The Commission's records disclose that the exchange rate of the ruble on the New York market in August 1918, was quoted at 14 cents for 1 ruble.

Accordingly, the Commission concludes that the claimant is entitled to an award in the amount of 200,000 rubles, converted into dollars at 14 cents for 1 ruble, and for interest from August 24, 1918, the date of confiscation of the mortgaged security, until November 16, 1933, the date of the libvins' assignment.

A W A R D

On the above evidence and grounds, this claim is allowed and an award is hereby made to VERNELL MICHAEL SCHANNING, claimant herein, in the amount of twenty-eight thousand dollars (\$28,000.00) plus interest thereon at the rate of 6% per annum from August 24, 1918 to November 16, 1933 in the amount of twenty-five thousand five hundred eighty-two dollars and sixty-five cents (\$25,582.65). No determination is made with respect to interest for any period subsequent to November 16, 1933.

Payment of the award herein shall not be construed to have divested claimant herein or the Government of the United States on his behalf, of any rights against the Government of the Soviet Union, for the unpaid balance, if any, of the claim.

Dated at Washington, D. C.

APR 27 1959

FOR THE COMMISSION:

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

IN THE MATTER OF THE CLAIM OF

MURIEL MICHAEL SCHARFEN
508 N. E. 3rd Avenue
Delray Beach, Florida

Claim No. SOV- 41,074

Decision No. SOV- 3089

Under the International Claims Settlement
Act of 1949, as amended

cro 16-73126-1

Counsel for Claimant:

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Washington 5, D. C.

FINAL DECISION

The Commission issued its Proposed Decision on this claim on
April 27, 1959 , a copy of which was duly served upon the
claimant. No objections or request for a hearing having been filed
within twenty days after such service and general notice of the
Proposed Decision having been given by posting for thirty days, it is

ORDERED that such Proposed Decision be and the same is hereby
entered as the Final Decision on this claim, and it is further

ORDERED that the award granted pursuant thereto be certified to
the Secretary of the Treasury.

Washington 25, D. C.

Whitney Willard