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CLAIMS TRIBUNAL

دیوان داوری دعاری ایران - ایالات متحدہ

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ORIGINAL DOCUMENTS IN SAFE

Case No. 10514

Date of filing: 20.APR.1988

\*\* AWARD - Type of Award Final  
- Date of Award 20.APR.88  
16 pages in English 21 pages in Farsi

\*\* DECISION - Date of Decision \_\_\_\_\_  
\_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* CONCURRING OPINION of \_\_\_\_\_  
- Date \_\_\_\_\_  
\_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* SEPARATE OPINION of \_\_\_\_\_  
- Date \_\_\_\_\_  
\_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

\*\* DISSENTING OPINION of \_\_\_\_\_  
- Date \_\_\_\_\_  
\_\_\_\_\_ pages in English \_\_\_\_\_ pages in Farsi

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IRAN UNITED STATES CLAIMS TRIBUNAL	دیوان دآوری دعوی ایران - ایالات متحدہ
فیلڈ - ثبت شد	
Date	20 APR 1988 تاریخ
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CASE NO. 10514

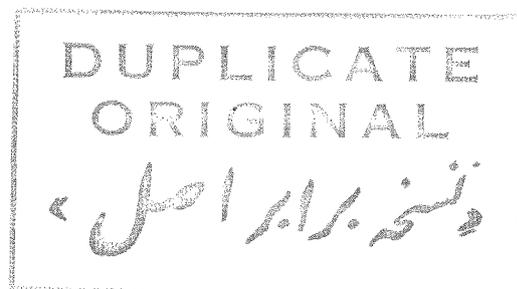
CHAMBER ONE

AWARD NO. 360-10514-1

LEONARD and MAVIS DALEY,  
a claim of less than US \$250,000  
presented by THE UNITED STATES OF AMERICA,  
Claimants,

and

THE ISLAMIC REPUBLIC OF IRAN,  
Respondent.



AWARD

Appearances:

For the Claimants:

Mr. Leonard Daley,  
Claimant,  
Mr. Michael F. Raboin,  
Deputy Agent of the United States  
of America,  
Ms. Lisa Grosh,  
Attorney-Adviser,  
United States Department of  
State.

For the Respondent:

Mr. Akbar Shirazi,  
on behalf of the Agent of the  
Islamic Republic of Iran,

Mr. Mohammad Hassan Bordbar,  
Dr. Behrouz Golpayegani,  
Legal Advisers to the Agent,  
Mr. Sohrab Rabie,  
Assistant to the Agent.

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A. PROCEDURAL HISTORY

1. On 19 January 1982 THE UNITED STATES OF AMERICA filed a Statement of Claim presenting a claim of less than \$250,000 of LEONARD and MAVIS DALEY ("the Claimants") against THE ISLAMIC REPUBLIC OF IRAN ("the Respondent"). A Supplementary Statement of Claim was filed on 22 October 1984. The Claimants seek damages totalling \$83,500 for the alleged expropriation of items of property, together with interest and costs.

2. The Respondent filed a Statement of Defence on 3 January 1986. Further pleadings and evidence were submitted by both Parties, pursuant to Orders of the Tribunal. A Hearing, scheduled to take place on 17 December 1987, was held on 19 December 1987.

B. FACTS AND CONTENTIONS OF THE PARTIES

3. The Claimants, husband and wife, were naturalized as citizens of the United States in 1965. The Respondent argues that this is insufficient to establish the dominant and effective nationality it considers necessary to enable them to bring a claim before the Tribunal. Mr. Leonard Daley states that he worked in Iran first, from 1972, for Iran Aircraft Industries as Manager of Plans and Programs and later, until June 1979, for Hover Naft Construction Company, as Director of Program Planning. The latter company was under contract with the Iranian Ministry of

Housing to build a new town of low-cost prefabricated housing units, known as the Jarrahi River project. Throughout that period, Mr. Daley lived with his wife Mavis and two of their children in Tehran. From May 1977 to some time in 1979, the family resided at Apartment 22, Boostan No. 6, Saltanatabad, Tehran, a spacious second-floor apartment which they rented from Mr. Hassan Salehi Nasab, an employee at the Iranian Ministry of Finance. Their landlord occupied the floor below with his wife and family.

4. Mr. Daley states that their two children, Lynette and Brian, returned to the United States in February 1979 to continue their education after the closure of schools in Tehran for American students. He claims that he and his wife continued to reside at the apartment until considerations of safety prompted them to move on 7 May 1979 to a British friend's home in the northern part of Tehran. Mr. Daley claims to have left household possessions and furnishings at the Boostan No. 6 apartment, as he and his wife intended to return when the situation eased. This is disputed by the Respondent, which claims, on the basis of the evidence of the landlord, Mr. Salehi Nasab, that the Claimants handed over their keys and left the apartment empty on 22 February 1979.

5. Mr. Daley alleges that by June 1979 it had become impossible for his employers to continue working on the housing project, or for himself and his wife to have a normal home life in Tehran. Mr. Daley contends that on 25 June 1979, he and his wife left Iran on a British Airways flight for London, continuing from there to the United States.

6. The Claimants seek compensation for items in four categories, which they claim were expropriated by Revolutionary Guards at different times between 19 February and 25 June 1979. Thus, the resolution of this Case does not depend on a finding that the Claimants were expelled from Iran.

a) The Peykan automobile

7. Mr. Daley claims to have owned a Peykan automobile which he purchased in July 1978 for \$8,750. He states that it was seized by Revolutionary Guards who intercepted him outside the Tehran Hilton hotel on 19 February 1979 as he was on his way to a meeting there at 1.00 p.m. with an Iran Aircraft Industries adviser, Mr. Uwe Koch. Mr. Daley claims compensation of \$7,500 representing the depreciated value of the car, which was never returned to him.

8. The Respondent contests this claim, arguing instead that the car had been sold previously by Mr. Daley in anticipation of his departure from Iran. It argues, further, that the Claimants have failed to discharge their burden of proof of ownership of the car, because they have failed to produce any record or indication of its registration number, or other particulars such as the name or address of the previous owner, or of the Notary Public who registered the purchase, which would enable it to be traced. The Respondent further challenges Mr. Daley's account of the events allegedly surrounding the seizure of the car outside the Tehran Hilton.

b) The thoroughbred horse

9. The second alleged instance of expropriation concerns a thoroughbred horse named "Brown Sugar", which Mr. Daley bought as a two-year-old in 1973 for \$7,800, for the use of his daughter Lynette. The Claimants contend that the horse was registered with the Royal Horse Society of Iran and stabled at the Imperial Stables in Nowrusabad, a suburb of Tehran. They allege that after the Islamic Revolution in February 1979, they attempted several times to gain access to the horse at the stables, but were denied entry by Revolutionary Guards who appeared to have taken control of the stables. The Claimants state that they were unable to recover the horse or their riding equipment. In the Claimants' contention this denial of access during February

and March 1979 amounted to a deprivation of their rights of ownership giving rise to a right to compensation. The amount claimed in respect of the horse is \$15,000, a figure which Mr. Daley claims to have been offered for the animal on a number of occasions.

10. The Respondent denies liability on two main grounds. First, it disputes that there was any interference with access to the horse, and points to evidence that a British friend and colleague of the Daleys, Mr. David Renshaw, was able to exercise it and, indeed, paid for its upkeep and stabling after June 1979. The Respondent further relies on a bill of sale executed by Mr. Daley in Mr. Renshaw's favor on 23 June 1979, purporting to transfer title in the horse, an act inconsistent with a finding that it had in effect been expropriated some months earlier.

c) The Kashan carpets and other household items

11. Mr. Daley alleges that the apartment was visited three times, once in March 1979 and twice in April, by Revolutionary Guards who conducted disruptive and provocative searches of the premises. As a result, the Daleys moved on 7 May 1979 to a friend's home in north Tehran, taking only essential clothing and intending to return to collect the rest of their property when conditions improved. Mr. Daley claims that he was alerted by a friend who reported having seen Revolutionary Guards removing furniture from the apartment and that he returned to the apartment on the following day, 31 May. He found the front door broken, glass on the floors, and all the furniture gone. Mr. Daley estimates the value of the lost household furnishings at \$11,600. In addition, the Claimants seek \$15,000 for two Kashan hand-woven carpets purchased in 1972 that were among the items allegedly taken from the apartment.

12. In response, the Government of Iran denies that the Daleys' apartment was ever searched or ransacked, or that

its contents were taken. Relying instead on the evidence of the Claimants' landlord, the Respondent asserts that the apartment was empty during that period as the Daleys had already sold their household items by placing advertisements in the local press before they left on 22 February 1979, and that nothing of value remained at the premises after that date. The Respondent further argues that, on the basis of entries stamped in Mr. and Mrs. Daleys' passports, and statements made by Mr. David Renshaw in his affidavit, Mr. and Mrs. Daley were outside Iran for part, at least, of the period when these events are alleged to have occurred.

d) The coins, jewelry and cash

13. The fourth element of the claim concerns the alleged seizure of items Mr. and Mrs. Daley were carrying when they left Iran on 25 June 1979. Mr. Daley states that he and his wife had tickets for a British Airways flight leaving on 23 June, but that, due to disruption of airline schedules, they were unable to leave until 25 June. They packed their clothes and money and went by taxi to Mehrabad Airport. Mr. Daley alleges that Revolutionary Guards searched him and his wife on arrival there, and took away the cash and valuables they were carrying. Mr. Daley itemizes these as \$15,000 in cash consisting of \$1000 notes obtained by Mr. Daley over a period of time by exchanging money in the bazaar in Tehran, 49 Pahlavi coins with a total value of \$14,100, Mr. Daley's Rolex watch, valued at \$800, and Mrs. Daley's jewelry, valued at \$4,500.

14. The Respondent denies that any such incident would or could have occurred in the course of the Daleys' progress through the airport, and argues that wrongful behavior of the type complained of could not in any event be attributed to the Government of Iran. It disputes the availability of \$1000 notes in Iran at the time Mr. Daley is alleged to have obtained them. It further maintains that the evidence suggests that Mrs. Daley had left Iran earlier, in February 1979, and never returned with her husband.

C. REASONS FOR AWARD

I. Issues of jurisdiction

15. The Respondent has disputed the entitlement of Mr. and Mrs. Daley to bring a claim before the Tribunal, arguing that there is insufficient evidence that their dominant and effective nationality was that of the United States.

16. The Tribunal notes that the Claimants have offered as evidence of their nationality copies of their Certificates of Naturalization as citizens of the United States, dated 22 November 1965. Neither of their passports was made available to the Tribunal. Mr. Daley states in the second of two affidavits submitted to the Tribunal that on becoming naturalized, he and his wife immediately returned their British passports to their place of issue in London, thereby renouncing their previous British nationality. The record also contains copies of the passports of two of the Claimants' children, who were both born in the United States. The Tribunal is satisfied that the Claimants are United States nationals as defined in Article VII, paragraph 1 of the Claims Settlement Declaration, and that they have been so at all times since the claim arose.

II. The merits

a) The Peykan automobile

17. In order to succeed in their claim, the Claimants must carry the burden of proving that they owned a car such as the one they describe; that it was confiscated by persons whose acts are attributable to the Government of Iran; and that the amount claimed in compensation accurately represents its value at the time it was taken.

18. It is not disputed that Mr. Daley owned a Peykan car, at least until early 1979. The Respondent contends, however, that he had sold it by the time of the alleged

expropriation on 19 February. Mr. Daley denies having done so, though he stated at the Hearing that he had attempted to sell the car in January 1979. At that time, he had a receipt prepared and ready for his wife to hand over if the purchaser called during the day with the money, but the proposed sale did not proceed. In attempting to establish that the car was sold, the Respondent relies on the evidence of Mr. Hassan Salehi Nasab, the Daleys' landlord, who, together with his wife, gave evidence both in the form of affidavits and of testimony in person at the Hearing. Mr. Salehi Nasab stated that he was offered the car by Mr. Daley, but declined to buy it as he already owned a better model. He stated in answer to a question by a member of the Tribunal that he did not know what subsequently happened to the car. He did, however, recall that his daughter had told him that she had been told by Lynette Daley that her father had sold it. The Tribunal does not consider that this constitutes sufficient evidence to support a finding that the car had been sold prior to the date of its alleged expropriation.

19. As to the events of 19 February 1979, Mr. Daley gives a detailed account in the first of his two affidavits of how he drove to meet Mr. Uwe Koch at the Hilton Hotel, which had become a gathering-point for Americans seeking evacuation from Iran. Mr. Daley's version of events corresponds closely with that given by Mr. Koch in his affidavit. Mr. Koch claims to have seen Mr. Daley approaching the hotel. There was an army truck with five Iranian Revolutionary Guards in "army-type uniforms" at the entrance, and one of them ordered Mr. Daley to stop and leave his vehicle. Mr. Koch states that one of the guards then drove away in Mr. Daley's car, and that his own efforts to intervene proved unavailing. Mr. Daley claims to have reported the loss to an Iranian official at the Hilton Hotel, the Ministry of Housing, and the United States Embassy, but not to the local police, who were no longer able to function effectively.

20. Having established that Mr. Daley still owned the car on the material date, the Tribunal is persuaded by the detailed and consistent accounts of Mr. Daley and Mr. Koch that the car was taken by Revolutionary Guards on 19 February 1979 in the circumstances described. It is by now established that the Tehran Hilton Hotel came under the control of Revolutionary Guards on 12 February 1979, and that the hotel was being used as an assembly point for American nationals prior to evacuation from Iran. See Kenneth P. Yeager and The Islamic Republic of Iran, Partial Award No. 324-10199-1, paras. 40, 41 (2 Nov. 1987). Likewise, the attributability of acts of the Revolutionary Guards to the Government of the Islamic Republic of Iran has been confirmed by the Tribunal: ibid, paras. 42,43; William L. Pereira Associates, Iran and Islamic Republic of Iran, Award No. 116-1-3, p. 43 (19 Mar. 1984), reprinted in 5 Iran-U.S. C.T.R. 198, 227. The Tribunal is accordingly satisfied that Mr. Daley's car was expropriated on 19 February 1979, and that compensation is due.

21. As to the level of compensation, the Tribunal considers it reasonable to award the amount claimed, \$7,500. Mr. Daley had evidently purchased the car in July 1978, some seven months previously. Mr. Salehi Nasab described it in his affidavit as "second hand". It had thus presumably already suffered its greatest depreciation in value by the time Mr. Daley bought it, and the deduction of a further \$300 appears reasonable to cover the period of his ownership. Neither Party has produced the receipt Mr. Daley is said to have prepared as evidence of the intended sale price in January 1979. The Tribunal therefore awards the Claimants \$7,500.

b) The thoroughbred horse

22. Once again the Claimants have the burden of proving that they owned the horse; that it was expropriated by persons whose acts are attributable to the Government of Iran; and that the amount they claim represents the value of the horse at the time of the expropriation.

23. There is no dispute that the Claimants owned a thoroughbred horse that their daughter Lynette rode and cared for. The Parties disagree, however, on whether the horse was ever expropriated. The Claimants base their claim to compensation on the assertion that the repeated refusal of access to the horse by the Revolutionary Guards who controlled the Imperial Stables constituted an expropriation in that it deprived them of their rights of control and ownership. The Tribunal has recognized in other Cases that certain degrees of interference can in some circumstances amount to an expropriation even in the absence of a formal decree. The Tribunal has held that

"measures taken by a State can interfere with property rights to such an extent that these rights are rendered so useless that they must be deemed to have been expropriated ...."

Starrett Housing Corp. and The Islamic Republic of Iran, Award No. ITL 32-24-1, p. 51 (19 Dec. 1983), reprinted in 4 Iran-U.S. C.T.R. 122, 154. See also Tippetts, Abbett, McCarthy, Stratton and TAMS-AFFA Consulting Engineers of Iran, Award No. 141-7-2, pp. 10-11 (29 June 1984), reprinted in 6 Iran-U.S. C.T.R. 219, 225-26.

24. Mr. Daley claims that in effect, he and his family were deprived of their rights of ownership in the horse by March 1979, after making a number of visits to the stables in an unsuccessful attempt to gain access and being unable to retrieve their horse. Mr. Daley's own evidence on this point is corroborated by the affidavit of Mr. David Renshaw, a British colleague who states that the Daleys were treated "with extreme hostility" on their visits to the stables. The Tribunal is not satisfied that this can serve as the basis for a finding of expropriation when set against the other evidence in the record. There is no evidence that the Revolutionary Guards converted the horse to their own use. On the contrary, it is undisputed that Mr. Renshaw was allowed regular access to the horse and that his Swiss assistant was permitted to exercise it on a regular basis.

This was done by prior arrangement with the Daleys, who continued to pay for the horse's stabling and upkeep until June 1979. Thereafter, Mr. Renshaw assumed responsibility for the payments and, until his own departure from Iran, was apparently able to continue using the horse. The success of this arrangement is not consistent with a finding of expropriation. Furthermore, Mr. Daley executed a bill of sale in respect of the horse in Mr. Renshaw's favor on 23 June 1979, shortly before his departure. Irrespective of the implications of this document for the ownership of the horse, it indicates, at the very least, that Mr. Daley still regarded himself as able to dispose of the horse. Moreover, letters written by Mr. Renshaw to a person outside Iran, introduced in evidence by the Claimants, suggest that Mr. Renshaw considered himself to be the owner of the horse. On the balance of the evidence, the Tribunal does not find that the horse was expropriated. This part of the claim is therefore dismissed.

c) The Kashan carpets and other household items

25. On the basis of the documents before it, the Tribunal accepts that the Claimants had furnished their apartment during their stay in Tehran. The fact that the Claimants owned two Kashan carpets is confirmed by the affidavit of Mr. W. Hinebaugh, a colleague at Iran Aircraft Industries who visited the family. Corroboration, at least as to the ownership of one carpet, was provided by Mrs. Bassirian Hariri, the landlord's wife, who stated at the Hearing that she recalled having seen one carpet. On balance, the Tribunal concludes that the Claimants owned household goods including, at some stage, two carpets.

26. On the basis of the documents submitted and statements made by Mr. Daley at the hearing, the Tribunal also accepts that both Claimants were in Iran in June 1979. Among documents submitted by the Respondent were two bank receipts for the purchase of travelers' checks dated 5 June 1979.

27. The evidence is not sufficient to establish, however, that the carpets or any of the other furniture were at the apartment on the date of the alleged taking. Mr. Daley states that he and his wife took only essential clothing when they left the apartment on 7 May 1979 for safer quarters, and left their furniture and valuables, including the carpets, intending to return later to collect them. No satisfactory explanation was offered as to why they did not take the carpets with them, given their apparent value and the ease with which they could have been transported. Further, Mr. Daley's account is contradicted by the evidence of Mr. Salehi Nasab and his wife Mrs. Bassirian Hariri, both of whom testified at the Hearing that the Daleys left nothing of value apart from a pair of curtains and a few boxes of papers when they evacuated the apartment in February 1979.

28. Even assuming that the property remained at the apartment, the Claimants must still establish that these items were removed from the premises by individuals or groups for whose acts the Government of Iran is legally liable. Mr. Daley does not assert that he personally witnessed the removal of his household goods. The only evidence to support the allegation of Iran's liability is the affidavit of Mr. Sharifi, a friend of the family who states that he arrived on 30 May 1979 intending to visit the Daleys, not knowing that they had left the district. He found Revolutionary Guards in the act of removing various of the Daleys' possessions from their apartment. Mr. Sharifi, who remained on the scene only for a matter of minutes, did not identify any specific items taken from the apartment. On hearing of this incident, Mr. Daley says that he returned on the following day and found his former home empty. The testimony of the landlord and his wife contradicted these assertions. At the Hearing, they denied that the premises were ever entered by Revolutionary Guards, or that any incident such as the one described by Mr. Sharifi had ever occurred. They contended, instead, that some of the furniture had been auctioned by the Daleys prior to their departure.

29. The Tribunal determines that the Claimants have not carried the burden of proving expropriation by persons whose acts are attributable to the Government of Iran. There is insufficient evidence to support a finding that either the carpets or the remainder of the contents of the Claimants' household were removed in circumstances which would give rise to liability on the part of the Iranian government. In addition, what evidence there is has been contradicted by the testimony of the landlord and his wife. This part of the claim must therefore be dismissed for lack of proof.

d) The cash, coins and jewelry

30. Here, again, the Claimants must bear the burden of proving possession, expropriation and value of the items for which they now seek compensation. Mr. Daley asserts that he withdrew his savings from his bank in Rials in early January 1979 and changed this money into \$1000 bills at the bazaar during March, April and May. The bank from which Mr. Daley claims to have withdrawn the money is not named, and he has offered none of his bank statements or other documentary evidence of the withdrawals. The record contains a copy of applications made by each of the Claimants on 5 June 1979 for a total of \$2000 in travellers' checks, but these do not appear to form part of the present claim - on the contrary, Mr. Daley specifically refers only to fifteen \$1000 bills - and no explanation is forthcoming as to why the Daleys should have exchanged these checks for cash instead of adopting the presumably safer course of taking them out of the country in their existing form. The Tribunal is not satisfied that the Claimants have demonstrated possession of the relatively large amount of cash for which they claim compensation.

31. Mr. Daley also claims he was carrying a collection of Pahlavi gold coins that were confiscated from him at the airport. There is no explanation of where or when he obtained these coins, let alone any receipts or insurance papers to confirm either the existence or value of the coins. The Tribunal is not satisfied that the Claimants

have established either their possession of this coin collection or its value.

32. Finally, the Claimants seek compensation for several items of jewelry allegedly worn by Mrs. Daley and for Mr. Daley's Rolex watch. The only evidence about Mrs. Daley's jewelry is Mr. Daley's itemized list, in which he generally describes a "diamond solitaire," "2 mixed stone rings," and "Iranian gold bracelets." This description alone does not allow the Tribunal to make a finding as to possession of particular items or assess the reasonableness of the claimed value. In contrast, the Tribunal is satisfied that there is sufficient evidence to make a judgment on the possession of Mr. Daley's watch. A specific brand, Rolex, is mentioned and the Tribunal finds that it is probable that Mr. Daley, like the majority of business people, would possess and wear a watch in the normal course of events, as he stated in evidence that he was in the habit of doing. In addition, the description is sufficient to determine that the value he places on the watch, U.S. \$800, appears entirely reasonable.

33. As to the events which are alleged to have preceded Mr. and Mrs. Daley's departure from Mehrabad Airport on 25 June 1979, Mr. Daley's evidence is detailed and convincing, though uncorroborated. The Tribunal is mindful, however, of the obvious difficulty in obtaining corroborative evidence from those who might have witnessed the events described.

34. The Respondent has strenuously denied that airport personnel would have engaged in the theft of items of personal property from passengers. Even if they did, such unauthorised acts cannot, the Respondent argues, be made the legal responsibility of the Iranian government.

35. The question of the state of affairs at Mehrabad Airport has been thoroughly canvassed, from the standpoints of both fact and law, in Kenneth P. Yeager and The Islamic Republic of Iran, Partial Award No. 324-10199-1, paras. 61-63 (2 Nov. 1987). The Tribunal concluded in that Case

that in February 1979 the airport was under the effective control of Revolutionary Guards; that these Guards were thus responsible for preventing incidents of the kind found to have occurred, and that the Government was legally liable for their failure to prevent them. The Tribunal sees no relevant distinctions between that Case and the present one. Although the date of the Daleys' departure was in June 1979 and that of Mr. Yeager somewhat earlier, in February, there is nothing in the record to indicate that there had been any significant changes in the situation at Mehrabad Airport by June, or that it was no longer controlled by Revolutionary Guards. On the basis of these considerations, therefore, the Tribunal accepts that Mr. Daley's watch was seized and awards the sum of \$800 in compensation.

e) Interest

The Tribunal considers it appropriate to award interest to the Claimants in accordance with the principles outlined in Sylvania Technical Systems, Inc. and The Government of the Islamic Republic of Iran, Award No. 180-64-1, pp. 31-32 (27 June 1985), reprinted in 8 Iran-U.S. C.T.R. 298, 320-22, on \$7,500 from 19 February 1979, the date of expropriation of the Peykan car, and on \$800 from 25 June 1979, the date of taking of the Rolex watch.

f) Costs

In view of the fact that the Claimants have successfully discharged the burden of proving only approximately one tenth of their claim, and in view of the costs incurred by the Respondent, the Tribunal considers that the Respondent should be granted \$2000 as costs of arbitration, and that this amount should be deducted from the amount awarded to the Claimants.

D. AWARD

For the foregoing reasons,

THE TRIBUNAL AWARDS AS FOLLOWS:

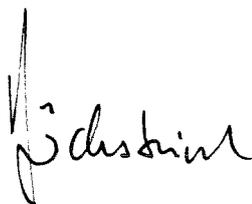
i) The Respondent THE ISLAMIC REPUBLIC OF IRAN is obligated to pay the Claimants LEONARD and MAVIS DALEY jointly the sum of six thousand three hundred United States Dollars and no cents (U.S. \$6,300.00) plus simple interest at the rate of 10.5 per cent per annum (365-day basis) on U.S. \$7,500.00 from 19 February 1979 and on U.S. \$800.00 from 25 June 1979 up to and including the date on which the Escrow Agent instructs the Depositary Bank to effect payment out of the Security Account.

ii) The remaining claims are dismissed.

These obligations shall be satisfied by payment out of the Security Account established pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.

This Award is hereby submitted to the President of the Tribunal for notification to the Escrow Agent.

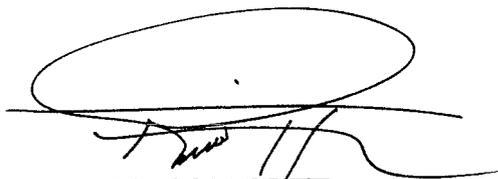
Dated, The Hague  
20 April 1988



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Karl-Heinz Böckstiegel  
Chairman  
Chamber One

In the name of God



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Assadollah Noori  
Concurring in part  
Dissenting in part



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Howard M. Holtzmann