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ORIGINAL DOCUMENTS IN

Case No. 395

Date of filing: 27 MAY 85

** AWARD - Type of Award ITM/ITL
- Date of Award 27 MAY 85
15 pages in English _____ pages in Farsi

** DECISION - Date of Decision _____
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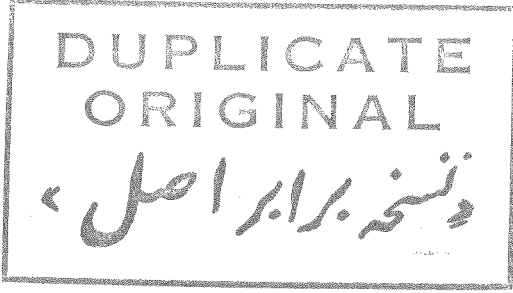
** CONCURRING OPINION of _____
- Date _____
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** SEPARATE OPINION of _____
- Date _____
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** DISSENTING OPINION of _____
- Date _____
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- Date _____
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Case No. 395
 Chamber Three
 Award No. ITM/ITL 51 -395-3

COMPONENT BUILDERS, INC.,
 WOOD COMPONENTS CO. AND
 MOSHOFSKY ENTERPRISES, INC.,

Claimants,

and

THE ISLAMIC REPUBLIC OF IRAN,
 BANK MASKAN IRAN [SUCCESSOR TO
 BANK RAHNI IRAN] and INSURANCE
 COMPANY OF IRAN,

Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری ایران - ایالات متحدہ
ثبت شد - FILED	
Date	27 MAY 1985 ۱۳۶۴ / ۳ / ۶
No.	395

INTERIM AND INTERLOCUTORY AWARD

Appearances

For the Claimants: Mr. Lewis M. Johnson,
 Representative and Attorney
 for Claimants

For the Respondents: Mr. Mohammad K. Eshragh,
 Agent of the Islamic Republic
 of Iran
 Mr. Mohammad Taghi Naderi
 Mr. Khosrow Tabasi,
 Legal Advisors to the Agent
 of the Islamic Republic of
 Iran
 Mr. Sohrab Rabiee,
 Assistant to the Agent

Also Present: Mr. Daniel M. Price,
 Deputy Agent of the United
 States of America
 Ms. Loretta Polk,
 Office of the Agent of the
 United States of America

I. PROCEDURAL HISTORY

Claimants, COMPONENT BUILDERS, INC. ("Component Builders"), WOOD COMPONENTS CO. ("Wood Components") and MOSHOFSKY ENTERPRISES, INC. ("MEI"), filed their Statement of Claim on 18 January 1982. Claimants brought claims against THE ISLAMIC REPUBLIC OF IRAN ("Iran"), BANK MASKAN IRAN (as successor to Bank Rahni Iran) ("Bank Maskan") and BIMEH IRAN ("Iran Insurance Co."). Claimants' first and second claims sought, respectively, \$1,652,658 and \$656,590 allegedly owing under the terms of the Building Supply and Erection Agreement entered into on the one hand by Wood Components and Component Builders and on the other hand by Bank Rahni Iran. Claimants' third claim sought \$663,499 for the alleged unlawful expropriation of materials, equipment and other tangible property. Claimants' fourth claim sought \$258,148 from the Iran Insurance Co. for that company's alleged failure to pay for marine and fire losses allegedly insured under marine and all risk policies issued by that company, as well as a declaration in respect of certain allegedly insured flood damage. Claimants also seek interest on such claims, their costs of arbitration and "such other relief as may be appropriate."

Respondent Bank Maskan filed its Statement of Defence on 3 January 1983. Respondents Iran and Iran Insurance Co. filed Statements of Defence and Statements of Counterclaim the same day. Iran counterclaims for 63,964,255 rials as "tax on earnings" in Iran. Iran Insurance Co. counterclaims on behalf of the Iranian Ministry of Economic Affairs and Finances for 1977 and 1978 taxes "on operations."

On 1 March 1983 Claimants filed with the Tribunal their "Reply to the Counterclaim of the Government of Iran and the Insurance Company of Iran." In this filing, Claimants submitted that "[t]he Statement of Defence filed by Bank Maskan Iran . . . contains numerous allegations of breach of contract . . . but Bank Maskan has not filed any counterclaim." In a Rejoinder filed 30 May 1983, Bank Maskan Iran

stated that "Claimant's [sic] assertion is untrue" and contended that Bank Maskan "has set forth a Counterclaim presently standing at Rials 441,578,336 (\$6,308,362)." On 21 June 1983 Iran filed its Rejoinder to Claimants' Reply.

By its Order of 28 June 1984, the Tribunal established a filing schedule and stated that "[a] Pre-Hearing Conference or Hearing will be held on 22 February 1985."

Claimants filed their Pre-Hearing Memorial and Summary of Evidence on 8 October 1984.

On 8 November 1984, Claimants requested "the Tribunal to take interim measures pursuant to Article 26 of the Tribunal's Rules of Procedure to issue an order directing Respondents, the Islamic Republic of Iran and Bank Maskan Iran, to take all appropriate measures to have proceedings in the case of Bank Maskan Iran v. Wood Components Co. and Component Builders, Inc., docketed as File No. 1277/61 in Chamber 29 of the Tehran Public Court . . . stayed pending the outcome of the proceedings in this claim before the Tribunal." Claimants informed the Tribunal that they had been summoned to appear before Chamber 29 of the Public Court of Tehran on 13 January 1985.

In its Order of 28 November 1984, the Tribunal noted that "one requirement for the issuance of interim measures is that there appears, prima facie, to be a basis on which the jurisdiction of the Tribunal might be founded." The Tribunal went on to state that "[a]fter a review of the record, the Tribunal deems it appropriate in this case to consider in conjunction with the request for interim measures, the jurisdictional issues presented by . . . Claims 1 and 2 of Claimants' Statement of Claim filed 18 January 1982." The Tribunal requested Respondents' comments on Claimants' request for interim measures and stated its intention to decide the matter on the basis of the papers submitted.

On 12 December 1984, Claimants requested that the Tribunal schedule a hearing on the jurisdictional issues raised in the claim.

On 4 January 1985, Bank Maskan filed its comments on Claimants' request for interim measures.

The Tribunal by its Order of 10 January 1985 decided that "[i]n light of the outstanding request for interim measures and the procedural history of this case, . . . the oral proceeding scheduled for 22 February 1985 [will] be a Pre-Hearing Conference on all issues combined with a Hearing on the request for interim measures and on related jurisdictional issues." The Order also provided that "[i]nasmuch as the Claimants have been summoned to appear before the Public Court of Tehran on 13 January 1985, the Tribunal requests Respondents the Islamic Republic of Iran and Bank Maskan Iran to take all appropriate measures to ensure that the proceedings before the Public Court of Tehran be stayed until at least 90 days after the Hearing to be held on 22 February 1985."

On 28 January 1985, Iran Insurance Co. filed a supplemental statement. On the same day Bank Maskan Iran filed a new counterclaim seeking 113,519,573 rials for Social Security Organization contributions allegedly owing by Claimants. On 14 February 1985 the Tribunal issued an Order stating, inter alia, that in the forthcoming Hearing "the relevance of clause 15.19 of the Building Supply and Erection Agreement for the determination of the Tribunal's jurisdiction will be raised."

On 18 February 1985, Claimants filed a Supplemental Memorial in Clarification of Jurisdictional Issues Presented. On 18 February 1985, too, the Agent for the Islamic Republic of Iran informed the Tribunal that the "Respondents in the above captioned case have notified me that their representatives are not able to attend the prehearing conference for February 22, 1985 due to non-availability of

air tickets and have requested the postponement of the prehearing conference." In its Order of 19 February 1985 the Tribunal replied,

Noting that a proceeding in this case on 22 February 1985 was first scheduled on 28 June 1984,

- that neither the Tribunal Rules nor Tribunal practice requires that there be a Pre-Hearing Conference or that a Hearing be held on requests for interim measures or preliminary issues such as jurisdiction and

- that Respondent, the Islamic Republic of Iran, will be attending the scheduled proceeding,

- the Tribunal confirms that . . . the proceeding scheduled for 22 February 1985 . . . will be a Hearing on the request for interim measures and on related jurisdictional issues. 1

On 20 February 1985, Claimants filed a Memorandum of Points and Authorities for Hearing on Jurisdictional Issues. On 22 February 1985, Respondent Bank Maskan filed its Pre-Hearing Memorial Concerning Jurisdiction.

The Hearing on interim measures and on related jurisdictional issues was held on 22 February 1985. The Agent for Iran agreed to represent all Respondents at the Hearing.

The Tribunal by its Order of 4 March 1985 authorized the Parties to file Post-Hearing Memorials by 15 April 1985. By its Order of 17 April 1985, the Tribunal extended that filing date to 1 May 1985, on which date Respondents submitted the Farsi text of their Post-Hearing Memorial. The English text was filed on 21 May 1985. On 9 May 1985, Respondent Bank Maskan submitted three further brief filings dealing with proof of Claimants' nationality, the Tribunal's Order of 19 February 1985 and the Claimants' "Memorandum dated 21.2.1985."

¹ The Tribunal went on to state that whether or not a Pre-Hearing Conference on all issues shall be held in this case at a later date would be decided by the Tribunal after the Hearing scheduled for 22 February 1985.

II. JURISDICTION

One requirement for the issuance of interim measures is that there be, at least prima facie, a basis on which the jurisdiction of the Tribunal might be founded. Claimants have submitted evidence of their U.S. nationality which, if not specifically rebutted, constitutes evidence sufficient to support a finding by the Tribunal that Claimants in fact have the requisite nationality.² Moreover, it is apparent

²Claimants have submitted a Certificate of Incorporation for Wood Components Co. issued by the Corporation Department of the State of Oregon indicating that Wood Components Co. was incorporated in Oregon on 1 August 1963 and a further certificate of the Corporation Division of the Department of Commerce of the State of Oregon indicating that Wood Components remained so incorporated as of 19 January 1981. The Affidavit of G. S. Moshofsky states that, "[a]s of February 8, 1977 and to and including January 19, 1981, there were a total 2825 shares of stock in [Wood Components] issued and outstanding, all of which shares were held by the following U.S. nationals" Proof of U.S. nationality of those shareholders was supplied by way of copies of birth certificates and passports. Claimants' representative at the Hearing made the originals of such birth certificates and passports available for inspection. Claimants further submit a Certificate of Incorporation for Component Builders, Inc. issued by the Corporation Division of the Department of Commerce of the State of Oregon indicating that Component Builders was incorporated in Oregon on 19 February 1976 and a further certificate indicating that Component Builders remained so incorporated as of 19 January 1981. The Affidavit of G. S. Moshofsky states that "[f]rom the date of its organization, and at all times thereafter, to and including January 19, 1981, all shares of [Component Builders], being 2,000 shares of common stock, have been held by [Wood Components]". Mr. G. S. Moshofsky in his Affidavit goes on to state that MEI as a result of certain transactions and an Oregon state court judgment of 27 December 1979 "acquired all of the assets of [Wood Components and Component Builders] including the claims which are the subject of this claim before the Tribunal." Claimants submit a Certificate of the Corporation Division of the Department of Commerce of the State of Oregon indicating that MEI was incorporated in Oregon on 13 September 1976 and remained so incorporated as of 19 January 1981. Mr. E. W. Moshofsky in his Affidavit states that "[f]rom the date of its organization, and at all times thereafter, to and including January 19, 1981, there were a total of 1,000 shares of stock in MEI issued and outstanding, all of which shares were held by the following U.S. nationals" This U.S. nationality of the shareholders is further established through the submission of copies of birth certificates of the majority shareholders. Claimants' representative at the Hearing made the originals of such birth certificates available for inspection.

that the Respondents fall within the definition of "Iran" set forth in Article VII(3) of the Claims Settlement Declaration.

The primary jurisdictional issue presented by the request for interim measures, which has been fully briefed by the Parties, is this Tribunal's jurisdiction over the subject matter of Claims 1 and 2 specified in Claimants' Statement of Claim. The specific issue before the Tribunal is whether Clause 14 of the Building Supply and Erection Agreement (the "Contract") is a forum selection clause satisfying the requirements of Article II(1) of the Claims Settlement Declaration thereby denying this Tribunal jurisdiction over Claims 1 and 2 insofar as they are based on the Building Supply and Erection Agreement. Clause 14 provides as follows:

14.1 All disputes or differences arising out of or in connection with or resulting from this Agreement, its application or interpretation, which cannot be settled amicably will be referred to a three-man Committee composed of one representative of Owner, one representative of Contractor and a third person to be nominated by the Budget and Plan Organization of Iran. All members of the Committee shall be nominated within a period of fifteen (15) days from the date of notification that a request for a Committee hearing has been filed by Owner or Contractor, provided that, if the Budget and Plan Organization of Iran did not nominate the third person within such fifteen (15) day period, such third person shall be appointed within ten (10) days thereafter by the President of the Iranian Chamber of Commerce. In this event, such third person shall have recognized expertise in the subject matter under dispute and shall not be a past or present employee or consultant of Contractor or Owner, or any company affiliated with Contractor. The decision of the Committee shall be by majority vote. The parties hereby express the intention that the decision of the Committee shall be rendered not more than two (2) months from the date of designation of the Committee members. The Committee shall meet in Tehran, Iran.

14.2 If the dispute is not settled by the Committee or if a party refuses to accept the decision of the Committee, the dispute shall be referred to the competent courts of Iran.

14.3 The decision of the Committee, if accepted by the parties, or the decision of the courts of Iran shall be final, and judgment thereon may be entered in any court having jurisdiction, or application may be made to such court for a judicial acceptance of the decision and an order of enforcement, as the case may be.

14.4. Pending settlement of a dispute, the parties hereto shall continue to perform all of their obligations under this Contract.

The Tribunal must first address Claimants' argument that the Contract has become a nullity and that Claims 1 and 2 therefore may be pleaded in quantum meruit rather than being premised on the Contract at issue. Claimants advance two theories as to why the Contract is invalid. First, Claimants argue that both Claimants and Respondent Bank Maskan are in agreement that the Contract has been cancelled and that "under Iranian law Claimants' remedy is in restitution." Second, Claimants argue that as a result of the 1979 Iranian Constitution, Clause 14 of the Contract dealing with settlement of disputes has been invalidated and that therefore, under Iranian law, the entire Contract is voidable by Claimants.

As to Claimants' first theory, the Tribunal concludes that the record does not support Claimants' contention that Respondent Bank Maskan concedes that the Contract is invalid and that Claimants' remedy is in restitution. In particular, the Tribunal notes that Respondent Bank Maskan in its filing of 22 February 1985 has stressed that it regards the Contract still to be in force. Earlier statements by Bank Maskan are ambiguous or at most imply that Respondents believe the contract to be terminated, a status quite distinct from invalidity.

As to Claimants' second theory, Principle 139 of the 1979 Iranian Constitution provides:

The settlement of disputes concerning public and governmental properties or their submission to

arbitration shall in every case be contingent upon the approval of the Council of Ministers and must be communicated to the Parliament. In cases where the opposite party to a dispute is foreign and where a domestic case is of importance, it must also be approved by the Parliament. Cases of importance shall be defined by law.

Claimants contend that Principle 139 makes impossible "not only the final settlement but any steps leading to such a settlement" and thus renders nugatory paragraph 1 of Clause 14. Claimants further argue that the provision in Clause 14.1 for non-binding arbitration by a committee of three, comprised of one representative of the Claimants and two designees of Iranian state agencies, as a prelude to litigation in Iranian courts was such an integral part of their bargain with Bank Rahni Iran that its vitiation by Principle 139 destroys Clause 14 in its entirety. Claimants then argue that since Clause 14 is a "condition" of the Contract which has become incapable of being fulfilled, Claimants are entitled to declare the Contract void on the basis of Articles 239 and 240 of the Civil Code of Iran.³

The Tribunal need not decide whether or not Claimants' contentions as to the effect of Principle 139 and Articles 239 and 240 are correct, for the Tribunal concludes that Claimants have not submitted evidence sufficient to estab-

³ Article 239 provides:

Whenever it is impossible to compel a party obligated to perform an act to perform it, and the act contracted for is also not one of those acts which another may perform on the party's behalf, the opposite party shall have the right to cancel the contract.

Article 240 provides:

If, after making a contract, performance of a condition thereof should become impossible or it becomes evident that at the time of making the contract, performance was impossible, the party to whose benefit the condition exists shall have the right to cancel the contract unless the impossibility is caused by an act of that beneficiary.

lish that Clause 14.1 was such an essential part of the contractual scheme for settlement of disputes that its elimination must render Clause 14 as a whole inoperable.

Just as a dispute settlement provision is severable from the contract of which it is a part,⁴ so, the Tribunal concludes, may a non-binding dispute settlement provision be severable from a binding alternative means presented in the same contract. The non-binding arbitration offered by Clause 14.1 could only be of significant value to the parties when negotiating if there were a reasonable expectation that neither party would reject the decisions of the committee. The Tribunal is not convinced, however, that it was customary that parties did not reject the decision of such committees or that the Parties in this case would not reject such decisions.

Consequently, the Tribunal concludes that the Building Supply and Erection Agreement is a valid and enforceable contract. As stated by this Tribunal in Dames & Moore and The Islamic Republic of Iran et al., Award No. 97-54-3 (20 December 1983) at 16-17, and in T.C.S.B., Inc. and The Islamic Republic of Iran, Award No. 114-140-2 (16 March 1984) at 21-22, and as necessarily conceded by Claimants, a claim for quantum meruit may not be maintained when a valid and enforceable contract exists. The Tribunal therefore cannot entertain Claimants' claims insofar as they are premised on the theory of quantum meruit.

It thus remains to be decided whether Clause 14 of the Contract is a forum selection clause satisfying Article II(1) of the Claims Settlement Agreement. On the face of it, Clause 14 standing alone would appear to pose such a ban. Of further significance in this regard, however, is an additional provision, Clause 15.19, "Jurisdiction; Service

⁴ See, e.g., Article 21, paragraph 2 of the UNCITRAL Arbitration Rules. See also Sanders, "La separabilité de la clause compromissoire" in Liber Amicorum for Frédéric Eiseman (1978).

of Process", of the Contract⁵, which reads:

Contractor agrees that any legal action or proceeding arising out of or relating to this Contract may be instituted in any competent Iranian court. Contractor irrevocably submits to the jurisdiction of each such court in any such action or proceeding. Contractor hereby irrevocably consents to service of process upon it in any action or proceeding by the mailing, postage prepaid, of copies thereof to the Contractor at the address provided for notices to Contractor under this Contract. The foregoing, however, shall not limit the right of Owner to bring any legal action or proceeding or to obtain execution of judgement in any appropriate jurisdiction. (Emphasis added.)

Virtually identical "Settlement of Disputes" and "Jurisdiction; Service of Process" clauses were present in the contract involved in Aeronutronic Overseas Services and The Islamic Republic of Iran, Interlocutory Award 36-410-3 (16 March 1984). In that case the Tribunal concluded that a "possible, and not unreasonable, interpretation of [the two clauses combined] is that the contract provisions were intended to insure that [the Iranian party] could obtain jurisdiction over the Claimants in Iranian courts, but, equally importantly, to preserve [that Iranian party's] option to bring an action against the Claimants in any other jurisdiction it considered appropriate." Aeronutronic Overseas Services at 7-8. The Tribunal went on to hold that "[s]uch a situation is similar to the one arising in the Halliburton Case (Award No. ITL 2-51-FT, Part II)" and that therefore "the contract in question does not contain the type of forum selection clause that would divest the Tribunal of jurisdiction under Article II, paragraph 1 of the Claims Settlement Declaration." Aeronutronic Overseas Services at 8-9.

⁵ As to the assertion made by Bank Maskan in its Post-Hearing Memorial that the Tribunal should not take into account Clause 15.19, as the question of its relevance was introduced by the Tribunal (in its 14 February 1985 Order) rather than by the Claimant, the Tribunal notes that it has to decide on its jurisdiction ex officio.

Respondents argue that Clause 15.19, which they contend is general, should not be read as modifying Clause 14, which they contend is specific, and that Clause 14 therefore is an effective forum selection clause depriving this Tribunal of jurisdiction. While agreeing with the rule of interpretation posited, the Tribunal disagrees that Clause 15.19, compared to Clause 14, is of a more general nature. Indeed it can be argued with equal force that Clause 14 is the more general clause. Consequently the rule of interpretation presented is not applicable in this case.

The Tribunal can find no relevant distinctions between the instant case and Aeronutronic Overseas Services. Therefore, the Tribunal holds that the Building Supply and Erection Agreement does not contain a forum selection clause satisfying the requirements of Article II(1) of the Claims Settlement Declaration.

Accordingly, the Tribunal rules that it does have jurisdiction in respect of the subject matter of Claims 1 and 2 as originally pleaded in the Statement of Claim based on the Building Supply and Erection Agreement.

III. THE REQUEST FOR INTERIM MEASURES

The Full Tribunal has ruled that the Tribunal has "an inherent power to issue such orders as may be necessary to conserve the respective rights of the Parties and to ensure that this Tribunal's jurisdiction and authority are made fully effective." E Systems Inc. and the Islamic Republic of Iran, Interim Award No. 13-388-FT (4 February 1983) at 10, 2 IRAN-U.S. C.T.R. 51, 57. It has exercised such power to require a stay of Tehran court proceedings pending completion of Tribunal action where "it is obvious that the claim initiated before the Iran Court had been admissible as a counterclaim before the Tribunal," even though no counterclaim had been asserted. E-Systems at 7, 2 IRAN-U.S. C.T.R. at 55. Moreover, the Full Tribunal has ruled "that once a counterclaim has been initiated before the Tribunal, such

claim is excluded from the jurisdiction of any court." E Systems at 9, 2 IRAN-U.S. C.T.R. at 56, relying on Article VII(2) of the Claims Settlement Declaration.

In the present case, it is somewhat unclear whether Bank Maskan has filed a counterclaim with this Tribunal. Compare, Ford Aerospace and The Islamic Republic of Iran, Interim Award 39-159-3 (4 June 1984). Bank Maskan in its Statement of Defence, after stating that it had initiated proceedings in Iranian courts and following a discussion of the alleged breaches of the Contract by Claimants, stated "the present parts in [this] response by Bank Maskan would have been a Counter-Claim presently amounting to Rials 441,578,336, - equivalent to US\$6,308,262, plus damages incurred" Bank Maskan in its Rejoinder to Claimants' Reply went on to state that Bank Maskan in "its Statement of Defence . . . has set forth a Counterclaim presently standing at Rials 441,578,336 (\$6,308,362)." Yet in a somewhat contradictory fashion shortly thereafter the Rejoinder went on to state that "[s]hould the Tribunal accept jurisdiction over the claim despite the express provisions of the Contract entered into between the Parties as well as of the Algiers Declarations, this Statement and exhibits thereto shall constitute Bank Maskan's Counterclaim with respect to which an award is requested" Whether such a "conditional" counterclaim should be treated as a counterclaim for the purposes of a request for interim measures need not be decided here, however, because it is clear that Bank Maskan's Tehran suit seeks an adjudication of rights identical to the rights presented to this Tribunal by Claims 1 and 2.

Bank Maskan's claim in the Public Court of Tehran against Wood Components and Component Builders was registered on 18 March 1982 and was referred to Branch 29 of the Public Court of Tehran for a hearing. See Ex. 1 to Statement of Defence of Bank Maskan. The named defendants in the action in Iran are Wood Components Co., Component Builders, Inc. and T.C.S.B., Inc., the last defendant being a separate supervising contractor involved in the project. The claim

is based on "[a] Contract . . . between the claimant [Bank Rahni] (as employer) and respondents [Wood Components and Component Builders] (as contractors) on 7-4-1355 for the sale and installation of buildings." "The subject of this contract was to prepare and install and deliver 500 of 2 to 3 bedroom housing units at Shahin Shahr in Isphahan, in accordance with the specifications of a contract in the amount of U.S.\$14,999,533.35." The date of conclusion, the scope of the work and the price of the contract sued upon by Bank Maskan are identical to those of the Building Supply and Erection Agreement upon which Claimants are proceeding before this Tribunal.

Examination of the suit filed by Bank Maskan and of Claims 1 and 2 filed by Claimants before this Tribunal also makes clear that both actions seek to adjudicate the same issues. Claimants allege that they have satisfactorily performed under the Contract and under Claim 1 seek monies due and payable by the terms of the Contract and by Claim 2 seek monies allegedly owing as a result of Bank Maskan's failure to fulfill its duties under the Contract. Bank Maskan on the other hand alleges that Claimants' performance was unsatisfactory and seeks the refund of advance payments, damages "representing costs for repairing defects in the grading of terrace floors, roof facades, etc.," and damages "representing costs of repainting". Indeed, Bank Maskan's Statement of Defence, in responding to Claims 1 and 2, repeatedly supports its pleas with reference to the law suit in Tehran (see Bank Maskan Statement of Defence at 68, 69, 71, 72 and 74).

The Tribunal therefore concludes, as the Full Tribunal did in E Systems, that in order "to conserve the respective rights of the Parties and to ensure that this Tribunal's jurisdiction and authority are made fully effective", it is appropriate that interim measures requiring a stay of the proceedings in the Public Court of Tehran be issued in this case. As the Tribunal noted in Aeronutronics Overseas Services, Inc. and The Islamic Republic of Iran et al.,

Interim Award No. 47-158-1 (14 March 1985) at 5, Respondent Iran "has . . . assumed an international obligation to take whatever steps may be necessary to comply with" this Interim Award.

IV. AWARD OF THE TRIBUNAL

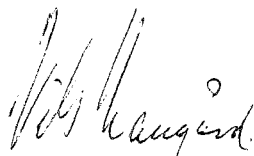
In view of the above,

The Tribunal dismisses Claimants' Claims 1 and 2 insofar as they are sought to be based on quantum meruit.

The Tribunal holds that the Tribunal has jurisdiction over Claims 1 and 2 insofar as they are based on the Building Supply and Erection Agreement.

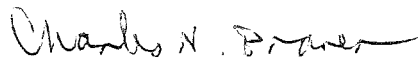
The Tribunal requests the Government of the Islamic Republic of Iran and Bank Maskan Iran to take all appropriate measures to ensure that the proceedings now pending before Chamber 29 of the Public Court of Tehran against Wood Components Co. and Component Builders, Inc. brought by Bank Maskan Iran in regard to the Building Supply and Erection Agreement be stayed until final determination of this case by the Tribunal.

Dated, The Hague
27 May 1985

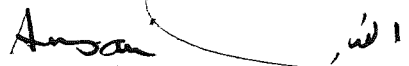


Nils Mangård
Chairman
Chamber Three

In the name of God



Charles N. Brower



Parviz Ansari Moin
Dissenting in part,
Concurring in part