

ORIGINAL DOCUMENTS IN SAFE

Case No. 242

Date of filing: 11 June 1999

** AWARD - Type of Award AAT
- Date of Award 11 June 1999
4 pages in English 3 pages in Farsi

DECISION - Date of Decision _____
1 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

** OTHER; Nature of document: _____

- Date _____
_____ pages in English _____ pages in Farsi

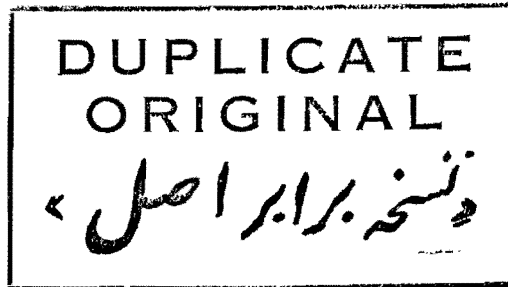
IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داوری دعاوی ایران - ایالات متحدہ

CASE NO. 242

CHAMBER TWO

AWARD NO. 592-242-2



IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داوری دعاوی ایران - ایالات متحدہ
FILED	ثبت شد
DATE	11 JUN 1999
	۱۳۷۸ / ۲ / ۲۱ تاریخ

KAY LERNER,

Claimant,

and

THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN,

Respondent.

AWARD ON AGREED TERMS

1. On 13 January 1982, the Claimant, KAY LERNER, filed a Statement of Claim against THE ISLAMIC REPUBLIC OF IRAN seeking compensation for the alleged expropriation of certain property.

2. Pursuant to Article 34, paragraph 1, of the Tribunal Rules, a Joint Request for an Arbitral Award on Agreed Terms ("the Joint Request") was filed on 2 June 1999, signed by a representative of the Claimant, on the one side, and by a representative of the Foundation for the Oppressed and by the Agent of the Government of the Islamic Republic of Iran, on the other, requesting that the Tribunal render an Award on Agreed Terms recording and giving effect to the Settlement Agreement, dated 2 May 1999, between the Claimant, on the one side, and the Foundation for the Oppressed and the Government of the Islamic Republic of Iran, on the other ("the Settlement Agreement").

3. Copies of the Joint Request and the Settlement Agreement are attached hereto and incorporated by reference.

4. The introductory paragraph of the Settlement Agreement defines the Foundation for the Oppressed and the Government of the Islamic Republic of Iran, collectively, as "Respondents."

5. The Parties in Article I of the Settlement Agreement agree:

(i) To transfer to the Respondents the title and ownership and control over the Property claimed in this Case No. 242.

(ii) To settle, dismiss, withdraw, quitclaim and terminate, definitively, forever and with prejudice all disputes, differences, claims and matters directly or indirectly raised or capable of arising out of the relationships, contracts, transactions, occurrences, rights and interests and proceedings arising from and related to the Claims in this Case No. 242.

6. Article II, paragraph 1, of the Settlement Agreement provides:

In full, complete and final settlement of all disputes, differences and claims arising out of the rights, interests, relationships and occurrences related to the subject matters of the Statement of Claim in Case No. 242 between the Claimant, on one part, and the Respondents on the other part, and in consideration of the covenants, promises and other agreements contained herein, the sum of U.S. \$ 2,000,000 (two million United States dollars) ("the Settlement Amount") will be paid to the Claimant 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.

7. Finding that the conditions for the issuance of an Arbitral Award on Agreed Terms are met in this Case, the Tribunal accepts the Settlement Agreement in accordance with Article 34 of the Tribunal Rules.


Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

- A. The Settlement Agreement filed with the Joint Request is hereby recorded as an Award on Agreed Terms binding on all the Parties in this Case in full and final settlement of the Case in its entirety and with prejudice.
- B. The payment obligation specified in the Settlement Agreement in the amount of Two Million United States Dollars (US\$2,000,000) shall be satisfied by payment to KAY LERNER 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.


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

Dated, The Hague
11 June 1999


Krzysztof Skubiszewski
Chairman
Chamber Two

In The Name of God


George H. Aldrich


Koorosh H. Ameli

IN THE NAME OF GOD

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Iran-United States Claims Tribunal
The Hague, The Netherlands

Kay Lerner,

Claimant,

-against-
The Islamic Republic of Iran,

Respondent .

Chamber Two	دوران داورى دماوى
Case No. 242	ایران - ایالات متحده
FILED	ثبت شد
DATE - 2 JUN 1999	
	تاریخ ۱۳۷۸ / ۲ / ۱۲

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules, Kay Lerner ("Claimant") represented by Dr. Sadredin Musavi, on the one part, and Foundation for the Oppressed and the Islamic Republic of Iran ("Respondents"), on the other part, jointly request that the Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached among them, a copy of which is attached hereto.

On 2nd May 1999 the Parties have entered into such Settlement Agreement (i) transferring to the Respondents the title and ownership and control over all the real and personal property referred to in the Statement of Claim and other submissions including but not limited to the property inherited by Dr. Musavi from his father and mother and assigned to the Claimant, and (ii) settling all claims and disputes now existing or capable of arising in connection with Case No. 242 and any other matters related thereto.

The undersigned hereby request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms, and direct the payment of US \$ 2,000,000 dollars (two million United States dollars) to the Claimant as required by Article II(1) of the Agreement and terminate the Case in its entirety and with prejudice.

Respectfully submitted,

Dr. Musavi on behalf of
the Claimant

By Dr. Sadredin Musavi

Date 5/3/99

Foundation for the Oppressed

By [Signature]

Date 2 May 1999

Islamic Republic of Iran

By [Signature]

31 May 1999

**SETTLEMENT AGREEMENT IN CASE NO. 242
BEFORE IRAN-UNITED STATES CLAIMS TRIBUNAL**

This Agreement is made as of the 2nd day of May, 1999 between and among Kay Lerner ("Claimant") represented by Dr. Sadredin Musavi ("Dr. Musavi") on the one hand, and Foundation for the Oppressed and the Government of the Islamic Republic of Iran (collectively, the "Respondents"), on the other. For the purposes of this Settlement Agreement, the Respondents shall also include any agency, subsidiary, instrumentality, or any other entity affiliated with the Respondents ("Related Entities") and the Claimant shall also include her assigns, transferees, predecessors, successors and agents.

WHEREAS by an alleged Assignment dated January 1982 Dr. Musavi has assigned to the Claimant certain claims for the expropriation of his real and personal property including but not limited to the property inherited from his father and mother ("Property") by the Respondents;

WHEREAS, the Claimant has filed such claims in respect of the Property with the Iran-U.S. Claims Tribunal in the Hague (the "Tribunal") under Case No. 242 against the Respondents;

WHEREAS, Respondents have asserted certain defences against the claim denying the expropriation of the said Property;

WHEREAS, the Parties to this Agreement (the "Parties") have agreed to settle all of the claims, disputes and differences outstanding or capable of arising between them and/or against the Respondents and their Related Entities arising from or stated in the Statement of Claim and other submissions in Case No. 242.

NOW, THEREFORE, in consideration of mutual commitments and under the terms and conditions set forth herein, the Parties agree as follows:

Article I

The scope and the subject-matter of this Agreement are:

(i) To transfer to the Respondents the title and ownership and control over the Property claimed in this Case No. 242.

(ii) To settle, dismiss, withdraw, quitclaim and terminate, definitively, forever and with prejudice all disputes, differences, claims and matters directly or indirectly raised or capable of arising out of the relationships, contracts, transactions, occurrences, rights and interests and proceedings arising from and related to the Claims in this Case No. 242.

IRAN-UNITED STATES CLAIMS TRIBUNAL	معاونت دولتی داری دادگاه ایران و آمریکا
FILED	ثبت شد
DATE	- 2 JUN 1999
	۱۳۷۸ / ۲ / ۱۲ تاریخ

Article II

1. In full, complete and final settlement of all disputes, differences and claims arising out of the rights, interests, relationships and occurrences related to the subject matters of the Statement of Claim in Case No. 242 between the Claimant, on one part, and the Respondents on the other part, and in consideration of the covenants, promises and other agreements contained herein, the sum of U.S. \$ 2,000,000 (two million United States dollars) (the "Settlement Amount") will be paid to the Claimant 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.

2. The Settlement Agreement is subject to the approval and ratification of the Iranian authorities on or before 31 May 1999. Signing of the Settlement Agreement by the Agent of the Islamic Republic of Iran to the Tribunal shall represent that such approval and ratification have been obtained. In the event this Settlement Agreement is not ratified by such date or within additional time as the Parties may agree in writing, or if this Settlement Agreement is ratified but Respondents fail to submit it to the Tribunal together with a joint request for an arbitral award as provided herein then this agreement shall automatically become null and void, and the Parties shall be placed in the same position as they were prior to the date of this Settlement Agreement.

3. Within three days after such ratification by the appropriate Iranian authorities, the Settlement Agreement will be submitted to the Tribunal together with a joint request (the text of which is annexed hereto) asking the Tribunal to record and give effect to the provisions of this Settlement Agreement as an Arbitral Award on Agreed Terms.

4. In the event the full Settlement Amount is not paid to the Claimant, the Claimant may declare that this Settlement Agreement is null and void and the Parties shall be placed in the same position as they were prior to the date of this Settlement Agreement.

Article III

Upon issuance of the Award on Agreed Terms by the Tribunal and the payment in full of the Settlement Amount to the Claimant, all titles, rights, benefits, and interests of the Claimant and Dr. Musavi in the Property claimed in this case shall be transferred to the Respondents in its present condition and unconditionally, irrevocably without any lien or incumbrance of the Claimant with the sole exception of Dr.

Musavi's shareholding inherited from his mother in Bardsir Sugar Company. Claimant shall have no liability to any Iranian entities for taxes of any kind in connection with such Property including but not limited to sale taxes, charges or fees and Respondents shall hold harmless and indemnify the Claimant from any such liability in connection with the transfer of the Property to the Respondents.

Article IV

1. Upon the issuance of an Award on Agreed Terms and upon payment in full of the Settlement Amount, the Claimant shall cause without delay and with prejudice, all proceedings against the Respondents and their Related Entities in all courts, fora or before any authorities or administrative bodies to be dismissed, withdrawn and/or terminated, and shall be barred from instituting and /or continuing with any proceedings before the Tribunal or any other forum, authority, or administrative body, whatsoever including but not limited to any United States, or Iranian court in connection with disputes, differences, claims and matters related to the Claims and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

2. Upon the issuance of an Award on Agreed Terms, and upon the payment in full of the Settlement Amount, the Respondents shall cause, without delay and with prejudice, all proceedings against the Claimant in all courts, fora or before any authorities or administrative bodies to be dismissed, withdrawn and/or terminated, and shall be barred from instituting and/or continuing with any proceedings before the Tribunal or any other forum, authority or administrative body, whatsoever, including but not limited to any United States or Iranian court in connection with disputes, differences, claims and matters related to the Claims and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

Article V

1. Upon the issuance of an Award on Agreed Terms, and upon the payment in full of the Settlement Amount, the Claimant hereby release, quitclaim and discharge the Respondents and their Related Entities from any and all Claims, rights, causes of action, interests, liabilities and obligations that they have ever had, now have, and/or in the future may have in connection with disputes, differences, claims and matters and proceedings related to the Claims

and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

2. Upon the issuance of an Award on Agreed Terms, and upon the payment in full of the Settlement Amount, the Respondents hereby release, quitclaim and discharge the Claimant from any and all Counterclaims, rights, causes of action, interests, liabilities and obligations that they have ever had, now have, and/or in the future may have in connection with disputes, differences, claims, matters and proceedings related to the Claims and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

3. Upon issuance of an Award on Agreed Terms, and upon the payment in full of the Settlement Amount, Claimant shall indemnify and hold harmless the Respondents and their Related Entities against any claim, counterclaim, action or proceeding which the Claimant may now or in the future raise, assert, initiate or take against the Respondents or its Related Entities in connection with disputes, differences, claims, matters and proceedings related to the Claims and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above..

4. Upon issuance of an Award on Agreed Terms, and upon the payment in full of the Settlement Amount, Respondents shall indemnify and hold harmless the Claimant against any claim, counterclaim, action or proceeding which any or all of the Respondents and their Related Entities may now or in the future raise, assert, initiate or take against the Claimant in connection with disputes, differences, claims, matters and proceedings related to the Claims and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

Article VI

Upon the issuance of the Award upon Agreed Terms, and upon the payment in full of the Settlement Amount, the Claimant and the Respondents shall waive any and all claims for costs (including attorneys' fees) arising out of or related to the arbitration, prosecution or defence of the claims asserted before the Tribunal, United States courts or elsewhere with respect to matters involved in the Statement of Claim and/or matters which are within the scope and the subject matter of this Agreement as defined in Article I above.

Article VII

Upon the issuance of the Award on Agreed Terms, and upon the payment in full of the Settlement Amount, the obligations,

declarations, releases, waivers, withdrawals, dismissals, transfers of rights, interest, benefits and titles in properties contained and referred to in this Settlement Agreement shall become self-executing. After the issuance of the Award on Agreed Terms by the Tribunal and the payment in full of the Settlement Amount no further documents need to be executed by the Parties in implementing the provisions of this Agreement.

Article VIII

1. This Agreement is for the sole purpose of settling the disputes identified herein. Nothing in this Agreement shall be relied upon or construed as relevant to or to affect in any way any arguments Respondents have raised, or may raise, concerning the jurisdiction or the merits of other cases whether before the Tribunal or any other forum. Also this Settlement Agreement shall not constitute an admission by the Respondents of any liability with respect to the Statement of Claim and any other submission in that Case or any events related thereto.

Article IX

The representatives of the Parties hereby expressly declare that they are duly empowered to sign this Agreement.

Article X

For the purpose of construction and interpretation of this Agreement the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

Article XI

This Agreement has been written and signed in both languages of Persian and English and each text shall have the same equal validity.

Article XII

This Agreement contains all the understandings and agreements of the parties with respect to the subject matter hereof. It may not be amended or modified except by a writing executed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives this 2nd day of May, 1999.

Dr. Sadredin Musavi on behalf of the Claimant
By: *Sadredin Musavi*
Date 5/2/99

Foundation for the Oppressed
By *[Signature]*
Date 2 May 1999

The Government of the Islamic Republic of Iran
By *[Signature]*
Date 31 May 1999

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DR. SADRI MUSAVI

IRAN - UNITED STATES CLAIMS TRIBUNAL

KAY LERNER,

Claimant,

- against -

THE ISLAMIC REPUBLIC OF IRAN,

Respondent.

RATIFICATION OF
ACTIONS TAKEN
AND POWER
OF ATTORNEY

Case No. 2-242

STATE OF

COUNTY OF

Maryland
Montgomery

); ss.

Margaret L. Walters

KAY LERNER, being duly sworn, deposes and says:

1. I am the named Claimant in the above-captioned proceeding, pursuant to an assignment to me from Dr. Sadri Musavi.
2. I hereby confirm and ratify the settlement agreement entered into on 2nd May 1999 by Dr. Musavi on my behalf with the Islamic Republic of Iran with respect to this case. I further consent to the issuance of the award on agreed terms as contained in the joint request signed on my behalf by Dr. Musavi dated 2nd May 1999.
3. I hereby authorize and grant a full power of attorney, to act on my behalf to implement all terms of the settlement agreement referred to above, by, inter alia, signing on my behalf all necessary documents for filing at the Iran-United States Tribunal and for obtaining payment of the award to be rendered by that Tribunal, including receiving award funds from the Federal Reserve Bank of New York, to each of the following persons:

NYCJ 304898.1

Dr. Sadri¹ Musavi
55 North 13th Street
San Jose, California 95112


KAY LERNER

Sworn to before me this
14 day of May, 1999

[notary public]



Marjorie L. Walters, Notary Public
Montgomery County
State of Maryland
My Commission Expires Apr. 1, 2003