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AIMS TRIBUNAL

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IRAN-UNITED STATES CLAIMS TRIBUNAL



GRANGER ASSOCIATES,

Claimant,

and

THE ISLAMIC REPUBLIC OF IRAN,
THE RADIO AND TELEVISION
ORGANIZATION OF THE ISLAMIC
REPUBLIC OF IRAN,
THE TELECOMMUNICATION COMPANY
OF IRAN, THE CIVIL AVIATION
ORGANIZATION OF IRAN,

Respondents.

دیوان داوری دعاوی ایران - ایالات متحده

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CASE NO. 184
CHAMBER ONE
AWARD NO.320-184-1

IRAN UNITED STATES دادگاه داری دخاری داری دخاری المحاصل المحا

AWARD ON AGREED TERMS

- On 21 August 1987 a Joint Request for an Arbitral Award on Agreed Terms was filed with the Tribunal by THE AGENT OF · THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, signed by representatives of, on the one hand, GRANGER ASSOCIATES, and on the other hand, THE ISLAMIC REPUBLIC OF IRAN BROADCASTING (formerly known as National Iranian Radio and Television) TELECOMMUNICATION COMPANY OF IRAN, requesting Tribunal to record a Settlement Agreement dated 24 June 1987 as an Arbitral Award on Agreed Terms pursuant to Article 34, paragraph 1, of the Tribunal Rules. The Settlement Agreement was entered into by Granger Associates, a California Corporation which was later merged into Granger Associates, Inc., a Delaware Corporation, (hereinafter collectively called "the Claimant"), representing "themselves and their successors and the subsidiaries, parents and affiliates of themselves and their successor, whether or not named in the Statement of Claim and other documents filed by the Claimant in Case No. 184 . . . , " on the one hand, and the Islamic Republic of Iran Broadcasting and the Telecommunication (hereinafter collectively called Company of Iran Respondents") on the other hand. A copy of both the Joint Request and the Settlement Agreement is attached.
 - 2. The Settlement Agreement provides for certain reciprocal obligations of the Parties. The second paragraph of the Joint Request states that the Settlement Agreement represents a "complete, full and final settlement of all disputes, differences, and claims now existing or capable of arising, between [the Claimant and the Respondents] and against the Government of the Islamic Republic of Iran, its political subdivisions, agencies, instrumentalities or controlled entities in connection with Case No. 184 and which are subject matter of the Settlement Agreement."
 - 3. Article V, paragraph (i) of the Settlement Agreement provides that, "[u]pon the issuance of the Award on Agreed

Terms all titles, rights, benefits and interests of Claimant in the parts, equipment and properties located in Iran as of June 24, 1987 or described in Article V (ii) below and claimed in the Statement of Claim and other submissions in Case No. 184 including Foreign Trade Bank of Iran bank account No. 21103 and/or such properties in possession of third parties in Iran shall be transferred unconditionally, irrevocably, without any lien or incumberance and without the right to any recourse, to Iran. Claimant shall prepare and submit to the Tribunal, together with this Settlement Agreement, any and all ownership documents in their possession and a notorized bill of sale relinquishing all their rights or entitlements to those parts, equipment and properties and transferring all their titles, rights, benefits and interests to the properties remained and left any where in Iran, including those in third parties' possession, to Iran. These documents shall be handed over by the Tribunal to the Agent of the Islamic Republic of Iran, upon the issuance of the Award on Agreed Terms." On 21 August 1987 a letter was filed by the Deputy Agent of the United States of America, stating that the Claimant did not have any "ownership documents" in its possession as referred to in Article V. Attached to the letter was a notarized bill of sale.

- 4. Since the wording of the bill of sale did not precisely conform with the requirements of Article V, paragraph (i) of the Settlement Agreement, the Tribunal requested the Claimant by Order filed on 30 September 1987 to submit by 30 October 1987 a new notarized bill of sale which
 - "a) names the transferee as 'Iran' a term defined in the Settlement Agreement and not 'the Islamic Republic of Iran Broadcasting';
 - b) includes an express transfer of all the Claimant's 'titles, rights, benefits and interests' in 'any

parts, equipment and properties remaining and left anywhere in Iran, as of 24 June 1987, including those in third parties' possession."

- 5. On 1 October 1987 the Claimant submitted to the Tribunal a new notarized bill of sale which conformed with the requirements of Article V, paragraph (i) of the Settlement Agreement.
- 6. The Tribunal accepts the Settlement Agreement in accordance with Article 34, paragraph 1, of the Tribunal Rules.
- 7. Mr. Koorosh H. Ameli participated in this Case as <u>ad</u>
 <u>hoc</u> Arbitrator in the place of Mr. Mohsen Mostafavi, pursuant to Presidential Order No. 52 dated 3 April 1987.

Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon the Parties. Consequently, the Respondent THE ISLAMIC REPUBLIC OF IRAN BROADCASTING is obligated to pay the Claimant GRANGER ASSOCIATES the amount of One Million Twenty Thousand United States Dollars (U.S.\$1,020,000.00). This obligation 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 submitted to the President of the Tribunal for notification to the Escrow Agent.

Upon the issuance of the Award on Agreed Terms, the Tribunal's Registry is directed to deliver to the Agent of the : Government of the Islamic Republic of Iran the notarized bill of sale submitted by the Claimant on 1 October 1987 as required by Article V of the Settlement Agreement.

Dated, The Hague 20 October 1987

Karl-Heinz Böckstiegel

Chairman

Chamber One

In the Name of God

Koorosh H. Ameli

Korosh B. Smli

Dissenting Opinion

Howard M. Holtzmann

Before
Iran-U.S. Claims Tribunal
The Hague

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Claim No. 184 Chamber One

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to the Article 34 of the Tribunal Rules of Procedure. Granger Associates, a corporation organized under the laws of the State of California, USA, and subsequently merged into Granger Associates, Inc., a Corporation organized and existing under the laws of the State of Delaware, USA, for itself and its successors, and the parents, affiliates and subsidiaries of itself and its successors, whether or not named in the Statement of Claim No.184 (hereinafter collectively called "Claimant") and The Republic Islamic (formerly known as National Iranian Iran Broadcasting Radio and Television) and the Telecommunication Company of Iran (hereinafter collectively called "Respondents") jointly request the Iran-U.S. Claims Tribunal ("the Tribunal") to issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties.

On 24 June 1987, Claimant and Respondents entered into a Settlement Agreement, a copy of which is attached hereto, providing that Claimant will be paid the amount of one million and twenty thousand U.S. dollars (U.S.\$ 1,020,000.00) (hereinafter the "Settlement Amount"), in complete, full and final settlement of all disputes, differences, and claims now existing or capable of arising, between them and against the Government of the Islamic Republic of Iran, its political subdivisions, agencies, instrumentalities or controlled entities in connection with Case No.184 and which are subject matter of the Settlement Agreement.

The undersigned request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms, with payment to Granger Associates to be made from the Security Account.

Respectfully submitted,

Mohammad K. Eshragh
Agent of the Government of the
Islamic Republic of Iran to the
Iran-U.S. Claims Pribunal

Bv

The Islamic Republic of Iran

Broadcasting

By M. Monhim

Telecommunication Company of Iran

By M. A.

Granger Associates

By esen freeze

Date 2 1 AUG 1987 out

IN THE NAME OF GOD

IRAN U.S. CLAIMS TRIBUNAL

184 SETTLEMENT AGREEMENT OF CASE NO. 184 CHAMBER 1

This Settlement Agreement made this 24th day of June 1987 by and between (1) The Islamic Republic of Iran Broadcasting (formerly known as the National Iranian Radio and Television) and (2) Telecommunication Company of Iran, hereinafter collectively called "Respondents", on one part and Granger Associates, a US Corporation organized under the laws of the State of California, USA, and subsequently merged into Granger Associates, Inc. a US Corporation organized and existing under the laws of the State of Delaware, hereinafter collectively called "Claimant", on the other part, which for the purpose of this Settlement Agreement represent themselves and their successors and the subsidiaries, parents and affiliates of themselves and their successors, whether or not named in the Statement of Claim and other documents filed by the Claimant in Case No.184, Chamber 1.

WHEREAS, Claimant has raised certain claims in the Statement of Claim and other submissions filed with the Iran-U.S. Claims Tribunal (hereinafter "the Tribunal"), under Case No. 184 (hereinafter "the Statement of Claim") against the Respondents and the Civil Aviation Organizatio of Iran ("CAO") and also against the Government of the Islamic Republic of Iran, its political subdivisions, agencies, instrumentalities, or controlled entities ("Iran").

WHEREAS, Respondents in responding to the Statement of Claim, have filed their Statements of Defence and counterclaims;

WHEREAS, the Parties (the Parties being defined as Claimants and Respondents have agreed to settle all their claims, disputes, differences outstanding or capable of arising between them and/or against CAO and/or against Iran in all claims and counterclaims contained in the Statement of Claim or Defense and subsequent submissions under Case No.184.

Now, therefore, in consideration of and under the conditions set forth herein, the Parties agree as follows:

ARTICLE 1

The scope and subject matter of this Settlement Agreement is:

- (i) To settle, dismiss and terminate forever and with prejudice all disputes, differences, claims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and occurrences which have been the subject matter of the Statement of Claim and subsequent submissions filed with the Tribunal, between the Parties and against Iran in Case No.184.
- (ii) To transfer to Iran unconditionally and irrevocably, without any lien or incumberance and without the right to any recourse, all and any properties, parts and equipment claimed by Claimant in the Statement of Claim and subsequent submissions in Case No.184 including those currently held in the United States and to consider as vested, from the time of creation, of all Claimant's rights, benefits, interests and titles to the said properties, parts and equipment and also to the properties left in Iran, if any, including those in possession of third parties under Case NO.184.

ARTICLE II

The Parties agree to submit this Settlement Agreement to the Tribunal on or before August 24, 1987, together with a joint motion requesting it to record and give effect to the provisions of this Settlement Agreement as an Arbitral Award on Agreed Terms. If this Settlement Agreement is not submitted by such date, then, it shall automatically become null and void, and the Parties, without prejudicing their respective rights will be placed in the same position as they were prior to the date of this Settlement Agreement.

ARTICLE III

In full, complete and final settlement of all disputes, differences and claims arising out of the rights, interests, relationships, and occurrences related to and subject matter of the Statement of Claim and this Settlement Agreement, and in consideration of the covenants, premises, transfers, waivers, withdrawals, and other agreements contained herein, the Islamic Republic of Iran Broadcasting shall cause the sum of one million and twenty thousand United States dollars (US\$ 1,020,000.00) (hereinafter the "Settlement Amount") to be paid to Claimant out of the Security Account established pursuant to para 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

ARTICLE IV

- (i) Upon the issuance of the Award on Agreed Terms, Claimant shall cause without delay and with prejudice, all proceedings against Respondents, and their Related Persons, ("Related Persons being defined as their subsidiaries, affiliates, assignees, transferees, predecessors, successors, and agents) and also against CAO and Iran in all courts, forums or any authorities or administrative bodies to be dismissed, withdrawn and terminated, and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forums, authorities, or administrative bodies, whatsoever, including but not limited to any courts in the United States of America or the Islamic Republic of Iran in connection with disputes, differences, claims and matters related to and subject matter of the Statement of Claim and/or this Settlement Agreement.
- (ii) Upon the issuance of the Award on Agreed Terms, Respondents shall cause without delay and with prejudice, all proceedings against Claimant in all courts, forums or any authorities or administrative bodies to be dismissed, withdrawn and terminated and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forums, authorities or administrative bodies, whatsoever, including but not limited to any courts in the United States of America or the Islamic Republic of Iran in connection with disputes, differences, claims and matters related to and subject matter of the Statement of Claim and/or this Settlement Agreement.

ARTICLE V

(i) Upon the issuance of the Award on Agreed Terms all titles, rights, benefits and interests of Claimant in the parts, equipment and properties located in Iran as of June 24, 1987 or described in Article V (ii) below and claimed in the Statement of Claim and other submissions in Case No. 184 including Foreign Trade Bank of Iran bank account No.21103 and/or such properties in possession of third parties in Iran shall be transferred unconditionally, irrevocably, without any lien or incumberance and without the right to any recourse, to Iran. Claimant shall prepare and submit to the Tribunal, together with this Settlement Agreement, any and all ownership documents in their possession and

a notorized bill of sale relinquishing all their rights or entitlements to those parts, equipment and properties and transferring all their titles, rights, benefits and interests to the properties remained and left any where in Iran, including those in third parties' possession, to Iran. These documents shall be handed over by the Tribunal to the Agent of the Islamic Republic of Iran, upon the issuance of the Award on Agreed Terms.

- (ii) Upon advance payment by the Islamic Republic of Iran Broadcasting ("IRIB") of all reasonable third party charges for packing and freight forwarding at cost (for which Claimant shall invoice IRIB), Claimant shall arrange for packing and shipment of the parts, described on pages 24-26 of the affidavit of Oscar Hercs dated January 7, 1986 contained in the Document No.127 (Claimant's Written Evidence and Legal Brief filed with the Tribunal on 16 January 1986) including the parts in Exhibit 31 of the same Document No.127, in accordance with IRIB's instructions. Claimant represents that the cost to Granger Associates of the parts referred to above exceeded \$239,277. The bill of sale with respect to these parts and equipment shall be detailed.
- (iii) Claimant shall use its best efforts to obtain at its own cost whatever licenses are necessary from United States government agencies to perform Paragraph V(ii) above. To the best recollection of the Claimant's representatives, the equipment shipped to IRIB in 1978-79 under Contract T-100 did not require a specific license and that shipment of parts in Paragraph V(ii) above will not require a specific license either. Claimant represents that it holds a general export license issued by the United States government.

ARTICLE VI

Upon the issuance of the Award on Agreed Terms:

- (i) IRIB will return to Bank Mellat and will take all necessary steps to cancel the performance bond No.FA/29340/3111 in the amount of US\$ 296,344.38 issued by Bank Mellat.
- (ii) IRIB will instruct Bank Mellat to return and cancel Bank of California letter of credit No.I-07478 in the amount of US\$ 296,344.38.
- (iii) Telecommunication Company of Iran (TCI) will return to Foreign Trade Bank of Iran (mistakenly referred to by Bank of America as Foreign Exchange Bank of Iran) or its successor and will take all steps necessary to cancel the performance bond issued by Foreign Trade Bank of Iran in the amount of US\$ 6,396 associated with Granger proforma invoice No.50-7250-010, TCI reference 515-1-1413-13955.
- (iv) TCI will instruct Foreign Trade Bank of Iran or its successor to return and cancel Bank of America letter of credit No.021428 in the amount of US\$ 6,396.

ARTICLE VII

- (i) Claimant shall indemnify and hold harmless Respondents and their related persons as well as CAO and Iran against any claim which Claiman its subsidiaries, parents, affiliates, assignees, transferees, successors, agents or third parties have raised or may raise against Respondents and their related persons and/or against Iran and CAO in connection with and under the same cause or causes of action contained in the Statement of Claim and subsequent submissions under Case No.184.
- (ii) In connection herewith, Claimant hereby represents and warrants that it is the sole owner of the cause or causes of action contained in the Statement of Claim filed herein, that no other entity owns any interest direct or indirect, in such cause or causes of action and that it has not assigned any part of such cuase or causes of action to any other persons. Claimant further agrees that if it is found to have violated the above representation and warranty, it may be sued by Respondents for any damages resulting therefrom in any court of competent jurisdiction.

ARTICLE VIII

In consideration of the covenants, premises and other agreements contained in this Settlement Agreement, upon the issuance of the Award on Agreed Terms by the Tribunal, Claimant, Respondents, CAO and Iran, shall be released and forever discharged from any rights, obligations, and interests, past, present or future or any other matters which have been raised, could have been raised or may in future arise in relation to the subject matters of the case and/or this Settlement Agreement.

ARTICLE IX

In this Settlement Agreement the Claimant's dues for Iranian taxes and Social Security Organization premiums have been taken into account and IRIB agrees to hold the Claimant harmless against any Iranian taxes and social security premiums which may be claimed by Iranian authorities in relation to the subject matter of Case No.184.

ARTICLE X

Upon the issuance of the Award on Agreed Terms, Claimant and Respondents shall waive any and all claims for costs (including attorney's fees) arising out of or related to the arbitration, prosecution or defence of the claims asserted before the Iran-U.S. Claims Tribunal, United States courts or elsewhere with respect to matters involved in the Statement of Claim, and/or matters which are the subject matter of this Settlement Agreement.

ARTICLE XI

Upon the issuance of the Award on Agreed Terms, the obligations, declarations, releases, waivers, withdrawals, dismissals, transfers of rights, interests, benefits, and titles in properties contained and referred to in this Settlement Agrement shall become self-executing.

ARTICLE XII

This Settlement Agreement is for the sole purpose of settling the disputes at issue in Case No.184. Nothing in this Settlement Agreement can be relied upon or construed as relevant to, or to affect in any way, any argument Iran, and/or Respondents have raised, or may raise, concerning the jurisdiction or the merits of this case or other cases whether before the Tribunal or any other forum.

ARTICLE XIII

The Parties agree that this Settlement Agreement needs to be approved and ratified by Iranian authorities. Should for any reason whatsoever they choose not to confirm this Settlement Agreement, then it shall become null and void, and in that event no party to this Settlement Agreement may rely upon, cite or publish its terms or any statements made in the course of settlement discussions.

ARTICLE XIV

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

ARTICLE XV

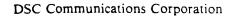
The representatives of the Parties hereto hereby expressly declare that they are duly empowered to sign this Agreement.

ARTICLE XVI

This Agreement (in four originals) has been written and signed in both languages of Farsi and English and each text have the same equal validity.

The Islamic Republic of Iran Broadcasting	Granger Associates
By M. neghimi	By Sear Desc (Per Power of Attorney) Date June 24 (72)
Date	Date June 24, 178
Telecommunication Company of Iran	.

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Acting with full authority of the Board of Directors, I certify that Mr. Oscar Z. Hercs and Charles Cummings are authorized to represent Granger Associates, Inc. in its claim against the Islamic Republic of Iran, et al. before Iran - United States Claims Tribunal, Case No. 184, Chamber 1, and to negotiate and conclude a settlement of the Claim should such an opportunity arise.

GRANGER ASSOCIATES, INC.

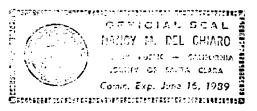
Richard Hejmanowski, President

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA)

ss:

On June 17, 1987 before me personally came Richard Hejmanowski to me known who, by me duly sworn, did depose and say that he is the President of Granger Associates, Inc., ("Granger") the corporation described in, and which executed the foregoing authorizations that he knows the seal of Granger, that the seal affixed to this authorization is that corporate seal, that it was affixed by order of the Board of Directors of Granger, and that he signed his name by like order.

Mancy M Wel Chiaso



3101 Scott Blvd., Santa Clara, California 95054-3394, (408) 727-3101, Telex: 34-8380, Fax: (408) 727-1450