

CLAIMS RESOLUTION TRIBUNAL

In re Holocaust Victim Assets Litigation
Case No. CV96-4849

Certified Award Amendment

to Claimant [REDACTED 1]¹
also acting on behalf of [REDACTED 2]

in re Accounts of Ludwig Grünwald and *Bankhaus Grünwald & Co.*

Claim Numbers: 213969/CU; 601300/CU^{2,3}

Original Award Amount: 2,996,930.00 Swiss Francs

Award Amendment Amount: 503,921.50 Swiss Francs

This Certified Award Amendment is based upon the claims of [REDACTED 1] (the “Claimant”) to the accounts of Ludwig Grünwald and *Bankhaus Grünwald & Co.* This Award Amendment is to the published accounts of Ludwig Grünwald (“Account Owner Grünwald”) and *Bankhaus Grünwald & Co.* (“Account Owner *Bankhaus Grünwald & Co.*”) (together the “Account Owners”) at the Zurich branch of the [REDACTED] (the “Bank”).

All award amendments are published, but where a claimant has requested confidentiality, as in this case, the names of the claimants, any relative of the claimants other than the account owner, and the bank have been redacted.

Procedural History

On 31 December 2003, the Court approved an Award to the Claimant for two custody accounts and a demand deposit account owned by the Account Owners (the “December 2003 Award”). At the time of that award, the bank records available to the CRT did not contain information regarding the value of one of the awarded custody accounts. However, the Bank recently made available to the CRT additional information about this custody account, including detailed documentation on the portfolios held in the account. In this Award Amendment, the CRT adopts

¹ On 31 December 2003, the Court approved an award to [REDACTED 1] (the “Claimant”) for the accounts of Ludwig Grünwald and *Bankhaus Grünwald & Co.* (the “December 2003 Award”), which is the subject of this Award Amendment.

² The Claimant submitted three other Claim Forms, which were registered under the Claim Numbers 601606, 601683 and 601687. The CRT has determined that these claims are duplicate claims and is treating them under the consolidated Claim Number 601300.

³ The Claimant submitted a claim, numbered B-02024, on 12 October 1999, to the Holocaust Claims Processing Office (“HCPO”) of the New York State Banking Department. This claim was referred by the HCPO to the CRT and has been assigned Claim Number 601300.

and amends its findings set out in the December 2003 Award based upon this additional information recently forwarded to the CRT by the Bank.

The December 2003 Award

In the December 2003 Award, the CRT determined that Account Owner Grünwald owned a custody account, numbered 50142, and a demand deposit account, and that Account Owner *Bankhaus Grünwald & Co.* also owned one custody account. The CRT further determined that the Claimant plausibly identified the Account Owners, that he plausibly demonstrated that he is related to Account Owner Grünwald and the owner of Account Owner *Bankhaus Grünwald & Co.*, and that he made a plausible showing that Account Owner Grünwald was a victim of Nazi persecution and that Account Owner *Bankhaus Grünwald & Co.* was a target of Nazi persecution. Additionally, the CRT determined that it is plausible that Account Owner Grünwald and the owner of Account Owner *Bankhaus Grünwald & Co.* did not receive the proceeds of their accounts and that the Claimant and the party whom he represents were each entitled to one-half of the award amount.

Additionally, the CRT determined that the Bank's record did not indicate the value of the custody accounts owned by the Account Owners. With regard to custody account 50412 of Account Owner Grünwald, the CRT presumed the value of the custody account was 13,000.00 Swiss Francs ("SF"). With regard to the custody account of Account Owner *Bankhaus Grünwald & Co.*, the CRT presumed the value of the custody account was 128,000.00 Reichmark ("RM") (equivalent to SF 224,614.40) based on a letter addressed to Account Owner *Bankhaus Grünwald & Co.*, submitted by the Claimant, which indicated that on 6 December 1938, securities with a nominal value of RM 128,000.00 had been transferred from Account Owner *Bankhaus Grünwald & Co.*'s account at the Bank to the *Deutsche Bank*.

According to the letter submitted by the Claimant to the CRT, Account Owner *Bankhaus Grünwald & Co.*, held the following securities in the custody account:

- *Deutsche Reichsbahn 7% Vorzugsaktien Zertifikate* shares with a face value of RM 60,000.00, which were transferred on 6 December 1938;
- *4.5% Friedrich Krupp Obligationen von 1936* bonds with a nominal value of RM 30,000, which were transferred on 6 December 1938;
- *5% Gelsenkirchener Bergwerks Obligationen J/J von 1938* bonds with a nominal value of RM 30,000.00, which were transferred on 6 December 1938;
- *4.5% Frankfurter Hypothekenbank Goldpfandbrief series 12* bonds with a nominal value of 3,000.00 Gold Marks ("GM"), which were transferred on 6 December 1938; and
- *4.5% Frankfurter Hypothekenbank Goldpfandbrief series 3* bonds with a nominal value of GM 5,000.00, which were transferred on 6 December 1938.

Information Available in the Bank's Record

As detailed in the December 2003 Award, the Bank's record indicates the name and the city of domicile of Account Owner Grünwald. According to this record, Account Owner Grünwald resided in Vienna, Austria. The Bank's record indicates that Account Owner Grünwald held a custody account, numbered L50142, and a demand deposit account, which were closed on 10 December 1938 and 20 December 1938, respectively.

As noted above, the Bank recently provided the CRT with additional documents regarding the custody account L50142.⁴ These documents contained a custody account identification card ("Leitkarte") and custody account portfolio holding cards ("Depotvalorenkarten") for each security held within the custody account.

These documents indicate that at the time Account Owner Grünwald was deemed to have lost control over the account, it contained the following securities:

- 3% *Schuldverschreibungen der Konversionskasse für Deutsche Auslandsschulden neue Ausgabe* bonds with a face value of 900.00 Reichsmark („RM“), which were sent to the *Golddiskontbank* in Berlin on 21 June 1938;
- 3% *Schuldverschreibungen der Konversionskasse für Deutsche Auslandsschulden neue Ausgabe* bonds with a face value of RM 1,000.00, which were sent to the *Golddiskontbank* in Berlin on 1 July 1938;
- 3% *Schuldverschreibungen der Konversionskasse für deutsche Auslandsschulden neue Ausgabe Teilgutscheine* bonds with a face value of RM 41.57, which were sent to the *Golddiskontbank* in Berlin on 1 July 1938;
- 3% *Schuldverschreibung der Konversionskasse für Deutsche Auslandsschulden Serie A* bonds with a face value of RM 1,000.00, which were sent to the *Golddiskontbank* in Berlin on 21 June 1938;
- 3% *Schuldverschreibung der Konversionskasse für Deutsche Auslandsschulden Serie B/C* bonds with a face value of RM 1,800.00, which were sent to the *Golddiskontbank* in Berlin on 21 June 1938;
- 3% *Schuldverschreibungen der Konversionskasse für deutsche Auslandsschulden Teilgutscheine* bonds with a face value of RM 145.91, which were sent to the *Golddiskontbank* in Berlin on 21 June 1938;
- 4.5% *jetzt 5.5% Liq. Goldpfandbriefe der Frankfurter Hypothekenbank, Frankfurt a/M. von 1927/29 Reihe 5* bonds with a face value of 6,400.00 Goldmark („GM“), which were transferred on 8 December 1938 to another account in the Bank numbered 15200, the owner of which is not known;
- 4.5% *jetzt 5.5% Liq. Goldhypothekpfandbriefe der Pfälzischen Hypothekenbank in Ludwigshafen a/Rh. von 1927/28* bonds with a face value of GM 6,500.00, which were transferred on 8 December 1938 to another account in the Bank numbered 15200, the owner of which is not known; and

⁴ The CRT notes that the Bank provided the CRT with additional documents only regarding custody account L50142, which was held by Ludwig Grünwald ("Account Owner Grünwald").

- 4.5% jetzt 5.5% Liq. Goldhypotheckenpfandbriefe der Württembergische Hypothekenbank in Stuttgart von 1928/1927 bonds with a face value of GM 3,200.00, which were transferred on 8 December 1938 to another account in the Bank numbered 15200, the owner of which is not known.

The CRT's Analysis

Joinder of Claims

According to Article 37(1) of the Rules Governing the Claims Resolution Process, as amended (the "Rules"), claims to the same or related accounts may be joined in one proceeding at the CRT's discretion. In this case, the CRT determines it appropriate to join the two claims of the Claimant in one proceeding.

Basis for the Award Amendment

The CRT has determined that an Award Amendment may be made in favor of the Claimant. The CRT previously determined in the December 2003 Award that the claims are admissible in accordance with Article 18 of the Rules, that the Claimant has plausibly demonstrated that he is related to Account Owner Grünwald and the owner of Account Owner *Bankhaus Grünwald & Co.*, and that it is plausible that neither Account Owner Grünwald, the owner of Account Owner *Bankhaus Grünwald & Co.* nor their heirs received the proceeds of their accounts.

Value of the accounts in the December 2003 Award

In the December 2003 Award, the Account Owners held two custody accounts and one demand deposit account. The value of the demand deposit account remains unaffected.

Pursuant to Article 29 of the Rules, when the value of an account is unknown, as was the case for custody account L50142 in December 2003, the average value of the same or a similar type of account in 1945 is used to calculate the current value of the account being awarded. Based upon the investigation conducted by the Independent Committee of Eminent Persons ("ICEP" or "ICEP Investigation"), in 1945 the average value of a custody account was SF 13,000.00. Therefore, the value of the custody account owned by Account Owner Grünwald was valued at SF 13,000.00.

Further, the CRT notes that the securities held in the custody account of Account Owner *Bankhaus Grünwald & Co.* were valued in the December 2003 award at their nominal value of RM 128,000.00 (equivalent to SF 224,614.40).

Amount of the Award Amendment

According to the Guidelines for the Valuation of Securities, circulated to the CRT by Special Master Helen B. Junz, as a general rule, the face value of bonds not in default shall be awarded if the market value was below the face value on the date the account owner is deemed to have lost

control over the account. The CRT presumes that the account owner, if able to decide freely, could have opted to hold the respective bond to maturity to avoid a capital loss. The market value of bonds shall be awarded if that value was above the face value on the date the account owner is deemed to have lost control over the account.

According to the additional information from the Bank, Account Owner Grünwald held custody account 50142 with the following securities:⁵

- *3% Schuldverschreibungen der Konversionskasse für Deutsche Auslandsschulden neue Ausgabe* bonds with a face value of RM 900.00. These bonds were in default and trading at 15.00% when sent on 21 June 1938. Therefore, these bonds shall be valued at their market value of RM 135.00, which was equivalent to SF 236.90;⁶
- *3% Schuldverschreibungen der Konversionskasse für Deutsche Auslandsschulden neue Ausgabe* bonds with a face value of RM 1,000.00. These bonds were in default and trading at 15.00% when sent on 21 June 1938. Therefore, these bonds shall be valued at their market value of RM 150.00, which was equivalent to SF 263.22;⁷
- *3% Schuldverschreibungen der Konversionskasse für deutsche Auslandsschulden neue Ausgabe Teilgutscheine* bonds with a face value of RM 41.57. These bonds were in default and trading at 15.00% when sent on 1 July 1938. Therefore, these bonds shall be valued at their market value of RM 6.24, which was equivalent to SF 10.94;⁸
- *3% Schuldverschreibung der Konversionskasse für Deutsche Auslandsschulden Serie A* bonds with a face value of RM 1,000.00. These bonds were in default and trading at 15.00% when sent on 21 June 1938. Therefore, these bonds shall be valued at their market value of RM 150.00, which was equivalent to SF 263.22;⁹
- *3% Schuldverschreibung der Konversionskasse für Deutsche Auslandsschulden Serie B/C* bonds with a face value of RM 1,800.00. These bonds were in default and trading at 15.00% when sent on 21 June 1938. Therefore, these bonds shall be valued at their market value of RM 270.00, which was equivalent to SF 473.80;¹⁰
- *3% Schuldverschreibungen der Konversionskasse für deutsche Auslandsschulden Teilgutscheine* bonds with a face value of RM 145.91. These bonds were in default and trading at 15.00% when sent on 21 June 1938. Therefore, these bonds shall be valued at their market value of RM 21.89, which was equivalent to SF 38.41;¹¹

⁵ The CRT uses official exchange rates when making currency conversions.

⁶ The market value for this security was obtained from documents held in the Austrian State Archive (Archive of the Republic, Finance). Shortly after the March 1938 incorporation of Austria into the Reich (the “Anschluss”), Jewish residents and non-resident nationals of the Reich, including Austria, who had assets worth at least 5,000.00 Reichsmarks, were ordered to declare the value of all they owned as of 27 April 1938 (the “1938 Census”). The bulk of the 1938 Census records for Austria still exist (more than 48,000 of an estimated 52,000 for Austria). These records serve as the only source of contemporaneous market values for a number of Austrian securities. In a case such as this, a security’s market value may come from a 1938 Census declaration submitted by a person other than the account owner.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

- *4.5% jetzt 5.5% Liq. Goldpfandbriefe der Frankfurter Hypothekenbank, Frankfurt a/M. von 1927/29 Reihe 5* bonds with a face value of GM 6,400.00. These bonds were of good quality and were trading at 100.00% when transferred on 8 December 1938. The total market value of these bonds was GM 6,400.00, which was equivalent to SF 11,230.72;¹²
- *4.5% jetzt 5.5% Liq. Goldhypothekenspfandbriefe der Pfälzischen Hypothekenbank in Ludwigshafen a/Rh. von 1927/28* bonds with a face value of GM 6,500.00. These bonds were of good quality and were trading at 100.50% when transferred on 8 December 1938. Since the bonds were of good quality and had market values above their face value, the market value will be used to determine the value of this asset. The total market value of these bonds was GM 6,532.50, which was equivalent to SF 11,463.23;¹³
- *4.5% jetzt 5.5% Liq. Goldhypothekenspfandbriefe der Württembergische Hypothekenbank in Stuttgart von 1928/1927* bonds with a face value of GM 3,200.00. These bonds were of good quality and were trading at 100.50% when transferred on 8 December 1938. Since the bonds were of good quality and had market values above their face value, the market value will be used to determine the value of this asset. The total market value of these bonds was GM 3,216.00, which was equivalent to SF 5,643.44;¹⁴

The CRT notes that several of these securities were transferred to custody account 15200. The CRT notes that the Bank's records do not indicate who owned this account, and that this account number also appears as the transfer destination for other, unrelated accounts. Even if this account was held by the respective owners of the accounts from which the securities originated, the records do not indicate when the account was closed, or the disposition of the securities contained within. Accordingly, the CRT concludes that the Account Owner did not receive these securities or their proceeds.

Further, the CRT notes that the securities held in the custody account of Account Owner *Bankhaus Grünwald & Co.* were valued in the December 2003 award at their nominal value of RM 128,000.00 (equivalent to SF 224,614.40). As the CRT has now been able to obtain market quotes for the securities held in this custody account, a re-evaluation of the amounts awarded for this account in the December 2003 award is warranted, to insure compliance with the Guidelines for the Valuation of Securities, circulated to the CRT by Special Master Helen B. Junz.

According to the letter submitted by the Claimant to the CRT, Account Owner *Bankhaus Grünwald & Co.*, held the following securities in the custody account:

- *Deutsche Reichsbahn 7% Vorzugsaktien Zertifikate* shares with a face value of RM 60,000.00, which were trading at 122.125% when they were transferred on 6 December 1938, for a total market value of RM 73,275.00, which was equivalent to SF 128,582.97.¹⁵
- *4.5% Friedrich Krupp Obligationen von 1936* bonds with a nominal value of RM 30,000. These bonds were of good quality and were trading at 98.625% when transferred on 6

¹² The market value for this security was obtained from the *Frankfurter Zeitung*, 9 December 1938.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ The market value for this security was obtained from the *Frankfurter Zeitung*, 9 August 1938.

December 1938. Since the bonds were of good quality and had market values below their nominal value, the nominal value will be used to determine the value of this asset. The total nominal value of these bonds was RM 30,000.00, which was equivalent to SF 52,644.00.¹⁶

- *5% Gelsenkirchener Bergwerks Obligationen J/J von 1938* bonds with a nominal value of RM 30,000.00. These bonds were of good quality and were trading at 100.75% when transferred on 6 December 1938. The total market value of these bonds was RM 30,225.00, which was equivalent to SF 53,038.83.
- *4.5% Frankfurter Hypothekenbank Goldpfandbrief series 12* bonds with a nominal value of 3,000.00 Gold Marks (“GM”). These bonds were of good quality and were trading at 100% when transferred on 6 December 1938. The total market value of these bonds was GM 3,000.00 which was equivalent to SF 5,264.44.¹⁷
- *4.5% Frankfurter Hypothekenbank Goldpfandbrief series 3* bonds with a nominal value of GM 5,000.00. These bonds were of good quality and were trading at 100% when transferred on 6 December 1938. The total market value of these bonds was GM 5,000.00 which was equivalent to SF 8,774.00.¹⁸

Therefore, the Bank’s records indicate that the total value of custody account 50142 was SF 29,623.88. The Article 29 value of SF 13,000.00, which was used in the December 2003 Award, is then subtracted from the actual historic value, resulting in a difference of SF 16,623.88. Further, the CRT notes that the actual historical value of the custody account held by Account Owner *Bankhaus Grünwald & Co.*, was SF 248,304.24. The nominal value of SF 224,614.40, which was used in the December 2003 Award, is then subtracted from the actual historical value, resulting in a difference of SF 23,689.84, resulting in a combined total of SF 40,313.72. The current value of this amount is determined by multiplying this difference by a factor of 12.5, in accordance with Article 31(1) of the Rules, to produce a total Award Amendment amount of SF 503,921.50.

Division of the Award Amendment

According to Article 23(1)(c) of the Rules, if the Account Owner’s spouse has not submitted a claim, the award shall be in favor of any descendants of the Account Owner who have submitted a claim, in equal shares by representation. Accordingly, as the Claimant and his sister are the grandchildren of Account Owner Grünwald, they are each entitled to one-half of the total award amount.

¹⁶ The market value for this security was obtained from the *Frankfurter Zeitung*, 22 September 1938.

¹⁷ The market value for this security was obtained from the *Frankfurter Zeitung*, 9 December 1938.

¹⁸ *Id.*

Scope of the Award Amendment

The Claimant should be aware that, pursuant to Article 20 of the Rules, the CRT will carry out further research on his claims to determine whether there are additional Swiss bank accounts to which he might be entitled, including research of the Total Accounts Database (consisting of records of 4.1 million Swiss bank accounts which existed between 1933 and 1945).

Certification of the Award Amendment

The CRT certifies this Award for approval by the Court and payment by the Special Masters.

Claims Resolution Tribunal
25 September 2008