

CLAIMS RESOLUTION TRIBUNAL

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

Certified Award

to Claimants [REDACTED], [REDACTED] and [REDACTED]

in re Account of Janos Lugos

Claim Numbers: 200243/VB; 201438/VB; 200050/VB

Award Amount: 149,500.00 Swiss Francs

This Certified Award is based upon the claims of [REDACTED], [REDACTED] and [REDACTED] (the "Claimants") to the Account of Janos Lugos (the "Account Owner") at the Zurich branch of the [BANK NAME REDACTED].

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

Information Provided by the Claimants

The Claimants each submitted a Claim Form indicating that the Account Owner, Janos Lugos, was their great-uncle, namely the brother of [REDACTED]'s maternal grandmother and the brother of [REDACTED]' and [REDACTED]'s paternal grandmother. Their great-uncle was a Hungarian Jew who was born in 1877 in Mako, Hungary, as Janos Löwenbach, and subsequently changed his last name to Lugos. He married Marta [REDACTED] in Budapest in 1933, who perished in 1944. The Claimants identified their great-uncle as the Director of Generali Insurance in Hungary. His office was located at Dorottya Utca 13 in Budapest from 1893 to 1939 and he lived at at Nyul Utca 18 in Budapest until 1934.

According to the Claimant [REDACTED], Janos Lugos paid the Nazis to escape from Hungary to Switzerland in 1944, but disappeared en route.

Claimants [REDACTED], [REDACTED], and [REDACTED] were born in Budapest on 12 June 1932, 2 May 1936, and 22 March 1938, respectively. They each demonstrated, in family trees submitted with their claims, that their great-uncle did not have any children. He had six brothers and sisters, and three nephews and nieces. He also had four great-nephews and great-nieces, among whom are the three Claimants. The fourth great-niece, [REDACTED], signed a document on 8 February 2001, in which she stated that she would leave her part of the award to the other persons entitled to the account.

Information Available in the Bank Records

According to the bank records, the Account Owner was Janos Lugos, whose address was Dorottya Utca 10. The bank records contain a Power of Attorney form dated 17 June 1929 indicating that the Account Owner granted a Power of Attorney to Martha Lugos, née [REDACTED], who lived at Nyul Utca 9. The bank records consist of this power of attorney authorization and printouts from the bank's database. The bank records indicate that the Account Owner held a custody account. The bank records do not show if or when the account was closed, or to whom it was paid, nor do they indicate the value of the account. The auditors who carried out the investigation of this bank to identify accounts of Victims of Nazi Persecution pursuant to instructions of the Independent Committee of Eminent Persons did not find the account in the bank's system of open accounts, and they therefore presumed that it was closed. These auditors indicated that there was no evidence of activity on the Account after 1945.

The Tribunal's Analysis

Identification of the Account Owner

The Claimants have plausibly identified the Account Owner as their great-uncle. They have provided the maiden name of their great-uncle's spouse, his home and work addresses in Budapest before the Second World War, and the date at which he lived and worked at these precise addresses. This information matches the unpublished information contained in the bank documents, with only minor discrepancies in the street numbers of the addresses. Given the distant degree of relationship between the Claimants and the Account Owner as well as the amount of time that has passed since the Second World War, these discrepancies do not change the Tribunal's conclusion that it is plausible that the Account Owner and the Claimants' relative were the same person.

Status of the Account Owner as a Victim of Nazi Persecution

The Claimants have provided plausible evidence that the Account Owner was a Victim of Nazi Persecution. They have stated that the Account Owner was Jewish and lived in Hungary until 1944, when he tried to flee from Hungary to Switzerland. He is believed to have died while attempting to escape.

The Claimants' Relationship to the Account Owner

The Claimants have plausibly shown that the Account Owner is their great-uncle, by providing documentation including their own and their parents' birth certificates. The Claimants' family tree shows that the Account Owner did not have any children, great-nephews or great-nieces besides [REDACTED], who signed over her part of the award to the other persons entitled to the account. The credibility of other information provided by the Claimants gives the Tribunal no basis to question this information.

The Issue of Who Received the Proceeds

Since the Claimants would not be entitled to an award if the account was paid to the Account Owner or his heirs, the Tribunal must consider the question of what happened to the funds in this case.

The historical evidence developed by the Independent Committee of Eminent Persons during its investigation of Swiss banks (the "ICEP Investigation") demonstrates that the funds of Nazi victims in Swiss banks were disposed of in various ways. In some cases, the account owners and/or their families withdrew and received the funds. In other cases, Nazi authorities coerced account owners to withdraw the balances in their Swiss accounts and transfer the proceeds to banks designated by the Nazi authorities, and the funds fell into Nazi hands. For other accounts, no transfers occurred, but account values were consumed by regular and special bank fees and charges, which resulted ultimately in closure without any payment to the account owners. In still other cases, particularly after a period of inactivity or dormancy, the proceeds were paid to bank profits. Thus, if the funds were not in fact paid to the account owners or their family, as is apparently the case here as described below, there is a substantial likelihood that the funds in this case went to the Nazis or to the Swiss bank.

Although the Tribunal cannot determine with certainty who received the proceeds of the account, the Tribunal concludes that a plausible showing has been made that neither the Account Owner nor his heirs received the proceeds. The account was open on 17 June 1929 but it is not known when it was closed or to whom the assets were paid. Hungary entered the Second World War on 20 November 1940, after which date it would have been difficult for the Account Owner or the Power of Attorney holder to travel to Switzerland. Furthermore, Hungary was invaded by Germany on 9 March 1944, and Switzerland froze assets of Hungarian citizens in December 1944. The Account Owner, who lived in Hungary, is presumed to have been killed while trying to flee to Switzerland in 1944. His wife, the Power of Attorney holder, lived in Hungary and also died in 1944. Therefore, it is impossible that they received the proceeds after the War. Moreover, there is no evidence in the bank records suggesting that the Account Owner closed the account and received the proceeds himself.

Basis for the Award

The Tribunal has determined that an Award may be made in favor of the Claimants. First, the claim is admissible in accordance with the criteria contained in Article 23 of the Rules. Second, the Claimants have plausibly demonstrated that the Account Owner was their great-uncle and that relationship justifies an Award. Finally, the Tribunal has determined that it is plausible that neither the Account Owner nor his heirs received the proceeds of the claimed account.

Amount of the Award

Pursuant to Article 35 of the Rules Governing the Claims Resolution Process (the "Rules"), when the value of the account is unknown, as is the case here, the average value of the same or a similar type of account in 1945 is used to calculate the present value of the Account being awarded. Based on the ICEP Investigation in 1945, the

average value of a custody account was 13,000.00 Swiss Francs. The present value of this amount is calculated by multiplying it by a factor of 11.5 in accordance with Article 37(1) of the Rules, to produce a total award amount of 149,500.00 Swiss Francs.

According to Article 37(3) of the Rules, in cases where the amount in the account is not known, claimants shall receive an initial payment of 35% of the total award amount. After all claims are processed, subject to approval by the Court, claimants may receive a subsequent payment of up to the remaining 65% of the total award amount. In this case, 35% of the total award amount for the Account is 52,325.00 Swiss Francs.

According to the principles of distribution set forth in Article 29(1)(e) of the Rules, each of the three Claimants is entitled to one-third (1/3) of the Award.

Scope of the Award

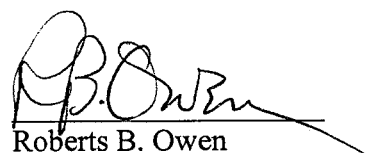
The Claimants should be aware that, pursuant to Article 25 of the Rules, the Tribunal will further research their claims to determine whether there are additional Swiss bank accounts to which they might be entitled, including research of the Total Accounts Database (consisting of records of 4.1 million Swiss bank accounts which existed between 1933 and 1945).

Certification of the Award

At this point in the Claims Resolution Process, the Tribunal has identified a number of cases in which a particular claimant has made out a strong case for entitlement to an award, but at this stage it is not possible for the Tribunal to have clear assurance that no additional claimants to the same accounts will be forthcoming. The Special Masters appointed by the Court to supervise the Claims Resolution Process for Deposited Assets Claims have stressed the importance of moving ahead quickly to begin to make awards to Holocaust victim claimants or their heirs. They have therefore instructed the Tribunal that in particular cases where the Tribunal is satisfied that the currently identified claimant has a strong claim and that the risk of future competing claims is low, the Tribunal should prepare an award to that claimant and submit it to the Court for approval. This is such a case.

In this case, the Tribunal is of the opinion that the Claimants have presented a strong claim to the Account, thus substantially reducing the likelihood of competing claims. On this basis, and taking into account the instructions of the Special Masters, the Tribunal recommends approval of the present Award by the Court for payment by the Special Masters in accordance with Article 37(3) of the Rules.

24 Jan. 2002
Date


Roberts B. Owen
Senior Claims Judge