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Case No. 364Date of filing: 21 Dec 82

** AWARD - Type of Award on Agreed Terms
- Date of Award 21 Dec - 82
3 pages in English 3 pages in Farsi

** DECISION - Date of Decision _____
_____ 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 _____
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IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان دآوری دعاوی ایران - ایالات متحدہ

116

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه دآوری دعاوی ایران - ایالات متحدہ
ثبت شد - FILED	
Date	21 DEC 1987 تاریخ ۱۳۶۶ / ۹ / ۳۰
No.	364 شماره

Case No. 364

Chamber One

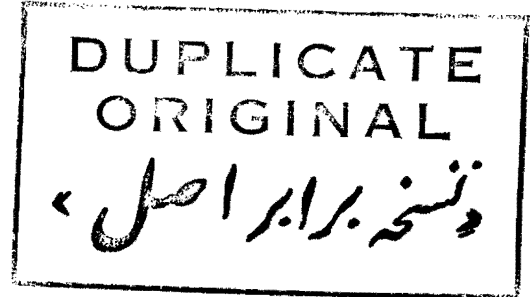
Award No. 344-364-1

AMERICAN EXPRESS COMPANY,
Claimant,

and

THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF IRAN, BANK MELLAT
(as successor to INTERNATIONAL
BANK OF IRAN, BANK OMRAN,
BANK TEHRAN, BANK ETEBARATE, BANK
IRAN VA ARAB), BANK TEJARAT
(as successor to BANK OF IRAN
AND THE MIDDLE EAST, IRANIAN
BANK, BANK BAZARGANI IRAN,
INTERNATIONAL BANK OF IRAN AND
JAPAN, BANK IRANSHAHR and BANK
SHAHRYAR), BANK MELLI IRAN,
BANK SADERAT IRAN, BANK REFAH
KARGARAN, BANK SEPAH, NEAR
EAST TOURS,

Respondents.



AWARD ON AGREED TERMS

1. On 7 December 1987 a Joint Request for an Arbitral Award on Agreed Terms was filed with the Tribunal, signed by a representative of AMERICAN EXPRESS COMPANY, on the one hand, and on the other by the AGENT OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, and representatives of BANK MELLAT, BANK MELLI IRAN, BANK TEJARAT, BANK SADERAT IRAN, BANK SEPAH AND BANK REFAH KARGARAN, requesting the Tribunal to record a Settlement Agreement dated 23 November 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 American Express Company (hereinafter called "AMEXCO"), on the one hand, and Bank Mellat, Bank Tejarat, Bank Saderat Iran, Bank Melli Iran, Bank Refah Kargaran and Bank Sepah (hereinafter collectively called "the Respondents") on the other. Copies of the Joint Request and the Settlement Agreement are attached.

2. The Settlement Agreement provides for certain reciprocal obligations of the Parties. It is stated in the Joint Request that the Settlement Agreement resolves "all claims now existing or capable of arising in connection with Case No. 364 now before the Tribunal. The Parties to the Settlement Agreement agree that the Respondents will pay Amexco Five Hundred and Eight Thousand United States Dollars (U.S.\$508,000) in complete and final settlement of all claims and counterclaims in Case No. 364".

3. The Tribunal accepts the Settlement Agreement in accordance with Article 34, paragraph 1, of the Tribunal Rules.

Based on the foregoing,

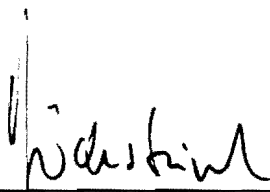
THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon the Parties. Consequently, the

Respondents are obligated to pay the Claimant AMERICAN EXPRESS COMPANY the amount of Five Hundred and Eight Thousand United States Dollars (US\$508,000) which 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.

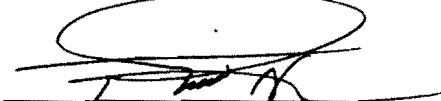
This Award will be submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague,
21 December 1987



Karl-Heinz Böckstiegel
Chairman
Chamber One

In the Name of God



Assadollah Noori



Howard M. Holtzmann

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IRAN UNITED STATES CLAIMS TRIBUNAL		دفترگاه داوران داری ایران - ایالات متحده
ثبت شد - FILED		
Date	7 DEC 1987	تاریخ
	۱۳۶۶ / ۹ / ۱۶	
No.	364	شماره

IN THE IRAN-UNITED STATES CLAIMS TRIBUNAL,
THE HAGUE, THE NETHERLANDS

-----X
AMERICAN EXPRESS COMPANY, a Corporation
incorporated and existing under the laws
of the State of New York

Claimant

BANK MELLAT, et al

Respondents.
-----X

Case No. 364
Chamber No.1

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to Article 34(1) of the Tribunal's Rules of Procedure, the Respondents named in Case No. 364, Bank Mellat (as successor to International Bank of Iran, Bank Omran, Bank of Teheran, Bank Etebarate (Distributors Cooperative Credit Bank) and Bank Iran Va Arab), Bank Tejarat (as successor to Bank of Iran and the Middle East, Iranians Bank, Bank Bazargani Iran, International Bank of Iran and Japan, Bank Iranshahr, Banque Etebarat Iran and Bank Shahryar), Bank Melli Iran, Bank Saderat Iran, Bank Refah Kargaran, Bank Sepah (collectively "the Iranian Entities"), and Near East Tours and American Express Company ("Amexco") jointly request that the Tribunal issue an Arbitral Award on agreed Terms that will record and give effect to the Settlement Agreement reached by the parties.

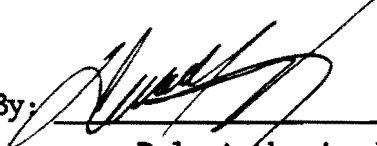
[Handwritten signature] 8 *N. Nour ally.*

On [23 November], 1987, representatives of all parties to Case No. 364 entered into a Settlement Agreement, a copy of which is attached hereto, resolving all claims now existing or capable of arising in connection with Case No. 364 now before the Tribunal. The parties to the Settlement Agreement agree that the Respondents will pay Amexco five hundred and eight thousand United States dollars (U.S. \$508,000) in complete and final settlement of all claims and counterclaims in Case No. 364.

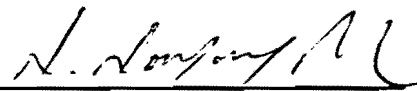
Accordingly, the parties request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms, with full payment to Amexco to be made out of the Security Account and to terminate all proceedings in Case No. 364.

ALL RESPONDENTS
NAMED IN CASE NO. 364

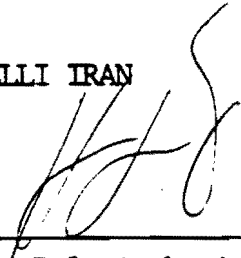
BANK MELLAT

By: 
Duly Authorised

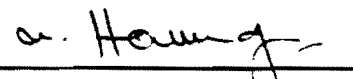
BANK SADERAT IRAN

By: 
Duly Authorised

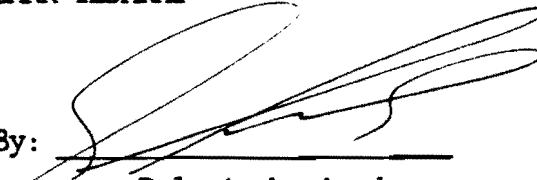
BANK MELLI IRAN

By: 
Duly Authorised

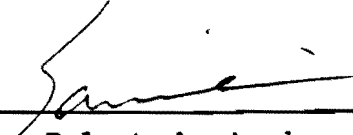
BANK SEPAH

By: 
Duly Authorised

BANK TEJARAT

By: 
Duly Authorised

BANK REFAH KARGARAN

By: 
Duly Authorised

AMERICAN EXPRESS COMPANY

25
AGENT OF THE GOVERNMENT OF THE
ISLAMIC REPUBLIC OF IRAN TO THE
IRAN-US CLAIMS TRIBUNAL

By: Stephen Palmer
Representative of American
Express Company

By: [Signature] 9/16
Duly Authorised

IRAN UNITED STATES CLAIMS TRIBUNAL		دادگاه دادرسی و محاکمه ایران - ایالات متحده
ثبت شد - FILED		
Date	7 DEC 1987 ۱۳۶۶ / ۹ / ۱۴	تاریخ
No.	364	شماره

AMERICAN EXPRESS COMPANY, a Corporation incorporated and existing
under the laws of the State of New York ("AMEXCO")

AND

BANK MELLAT (as successor to INTERNATIONAL
BANK OF IRAN, BANK OMRAN,
BANK OF TEHRAN, BANK ETEBARAT (DISTRIBUTORS CO-OPERATIVE
CREDIT BANK), BANK IRAN VA ARAB),

BANK TEJARAT (as successor to BANK OF IRAN AND
THE MIDDLE EAST,
IRANIANS BANK, BANK BAZARGANI IRAN,
INTERNATIONAL BANK OF IRAN and
JAPAN, BANK IRANSHAHR, BANQUE ETEBARAT
IRAN and BANK SHAHRYAR),

BANK SADERAT IRAN,

BANK MELLI IRAN

BANK REFAH KARGARAN,

BANK SEPAH,

(Collectively "the Iranian Entities")

NEAR EAST TOURS,

MEMORANDUM OF SETTLEMENT

Amexco and the Iranian Entities are executing this Memorandum of Settlement to state the final agreements they have reached with respect to the matters set forth below.

1. Representatives of Amexco and the Iranian Entities have met in an effort to agree upon the amounts owing between them.
2. The categories of accounts and claims which have been the subject of such meetings are:-
 - (a) Claims of Amexco against the Iranian Entities and Near East Tours with respect to debts based on payments made by Amexco upon presentation of American Express Travellers Cheques sold by the Iranian Entities and all claims related to or arising out of these claims and disputes.
 - (b) Unreconciled discrepancies and unresolved claims and disputes between Amexco and the Iranian Entities regarding principal amounts and all claims related to or arising out of these claims and disputes.
 - (c) Certain unreconciled discrepancies and unresolved claims, disputes, and all claims related to or arising out of these claims and disputes, between American Express Bank Ltd. ("AEB") (formerly American Express International Banking Corporation), an affiliate of Amexco, and the Iranian Entities as identified in Schedule F to the Memorandum of Settlement dated May 20, 1983 between AEB and Bank Markazi Iran ("the Schedule F Items").

2 5 8 17.12.84 m.11.17

3. Arbitration proceedings are now pending before the Iran-United States Claims Tribunal ("Tribunal") under title Case No 364 in Chamber One ("the Proceedings") between Amexco, the Iranian Entities and Near East Tours with respect to items specified in paragraphs 2(a) and 2(b) above.
4. The Schedule F Items are presently the subject of a request, submitted by certain of the Iranian Entities, before Chamber 2 to assert such items, as counterclaims in Case No. 363. AEB has filed an objection to such request and (subject to paragraphs 5 and 12 below) this Memorandum of Settlement shall in no way prejudice the position of any party with respect to Case No. 363.
5. Following the discussions between Amexco and the Iranian Entities, a settlement has been agreed pursuant to which certain sums will be paid over to Amexco and in consideration of which Amexco and the Iranian Entities will take steps to discontinue the Proceedings before the Tribunal and, should it become necessary, to terminate proceedings of any kind before any forum related to the Schedule F Items listed in paragraph ^{N. 12} ~~11~~ hereof. _{M.S. N. 12} The terms of the settlement are reflected in the following paragraphs.
6. In consideration of the payment to Amexco of the sum of US\$220,000, Amexco and the Iranian Entities agree to discontinue the Proceedings before the Tribunal against the following banks (all of whom are among the Iranian Entities) now part of the Bank Mellat Group together with any and all counterclaims related thereto and to procure that no further proceedings are instituted

2 4 N. 12

nor claims asserted in respect of the subject-matter of the
Proceedings:-

International Bank of Iran

Bank Omran

Bank of Teheran

Bank Etebarate Distributors Cooperative Credit Bank

7. In consideration of the payment to Amexco of the sum of US\$260,500 Amexco and the Iranian Entities agree to discontinue the Proceedings before the Tribunal against the following banks (all of whom are among the Iranian Entities) now part of the Bank Tejarat Group together with any and all counterclaims related thereto and to procure that no further proceedings are instituted nor claims asserted in respect of the subject-matter of the Proceedings:-

Bank of Iran and the Middle East

Iranians Bank

Bank Bazargani Iran

The International Bank of Iran and Japan

Bank Iranshahr

Bank Shahryar

Banque Eterbarat Iran

8. In consideration of the payment to Amexco of the sum of US\$27,500 Amexco and the Iranian Entities agree to discontinue the Proceedings before the Tribunal against Bank Melli Iran together with any and all counterclaims related thereto and to procure that

K 2 S history only

no further proceedings are instituted nor claims asserted in respect of the subject-matter of the Proceedings.

9. Amexco and the Iranian Entities agree to discontinue the Proceedings before the Tribunal against the following entities (all of whom are among the Iranian Entities) together with any and all counterclaims related thereto and to procure that no further Proceedings are instituted nor claims asserted in respect of the subject-matter of the Proceedings:-

Bank Pars

Bank Iran Va Arab

Bank Refah Kargaran

Bank Saderat Iran

Bank Sepah

10. Amexco agrees to discontinue the Proceedings before the Tribunal against Near East Tours and to procure that no further Proceedings are instituted nor claims asserted in respect of the subject matter of the Proceedings.

11. The parties to this Memorandum of Settlement have reached the agreement reflected in paragraph 12 with respect to certain of the Schedule F Items, the Amexco representatives having, in this regard, acted on behalf of AEB.

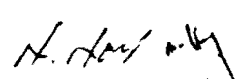
12. With regard to the Schedule F Items described below in this paragraph 12, each of the Iranian Entities specified in the first column of the table set out below, on behalf of itself and its

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successors, waives any claim of any nature whatsoever it may have or may have had against AEB, or any of its affiliates, in respect of such items.

<u>Name of Iranian Entity</u>	<u>Ref.No</u>	<u>Amount</u>
Bank Eterbarat Iran	060889	US\$20,511.91
Bank Shahryar	00129247	US\$ 6,000.00
Bank Sepah	00129122	US\$ 1,040.00
Bank Saderat Iran	00125526	US\$ 7,827.98

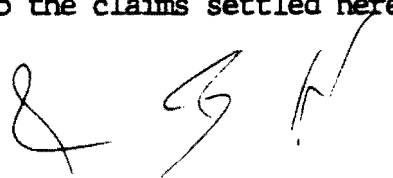
13. The Iranian Entities will, within 60 days of the execution of this Memorandum of Settlement, and following consultation with and approval by Amexco, destroy the American Express Travellers Cheques respectively held by them as reflected in the schedules already provided to Amexco copies of which are attached. Following such destruction, the Iranian Entities will ensure that a Certificate of Destruction, in a form acceptable to Amexco, is sent to Amexco.
14. Within 15 days of the execution of this Memorandum of Settlement, the parties shall submit to the Tribunal a joint request (in the form of Exhibit 1 hereto) pursuant to Article 34(1) of the Tribunal Rules of Procedure, that the Tribunal record this Memorandum of Settlement as an arbitral award on agreed terms, that the Tribunal order payment of the sum of US\$508,000 from the Security Account and that the Proceedings be terminated.
- 2 5 1
- of. 12/10/11

15. (a) Subject to the Iranian Entities having fulfilled the conditions set out below at paragraph 15.(b) Amexco shall indemnify the Iranian Entities against any claim (including reasonable legal fees) made against the Iranian Entities by any other party, including but not limited to Amexco's successors or assigns in respect of the claims settled herein.
- (b) The Iranian Entities shall not pay or settle any claim referred to in paragraph 15.(a) unless they shall first have complied with the provisions of this paragraph 15.(b). In the event of the Iranian Entities or any of them becoming aware of any claim relevant for the purposes of this paragraph 15 the Iranian Entities shall procure that notice thereof is given to Amexco at American Express Tower, World Financial Center, New York, N.Y. 10285, U.S.A. marked for the attention of TRS General Counsel and, as regards any relevant claim, Amexco shall have the right to defend the claim and to the extent practicable take over the conduct of the litigation in substitution for the relevant Iranian Entity.
16. This Memorandum of Settlement shall be without prejudice to and shall not be taken to affect the position of Iran or the Iranian Entities Near East Tours or Amexco or any of its Affiliates with respect to jurisdiction or lack thereof or merit of any other proceedings before the Iran-U.S. Tribunal or (other than in the case of proceedings directly involving the claims which are the subject-matter of this Memorandum) before any other forum.
- 
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17. Upon the execution of this Memorandum of Settlement, the parties agree to execute the submission to the Tribunal ("the Submission") in the form of Exhibit 2 hereto which shall be filed at the Tribunal only in the event that the Schedule F Items are recognised by the Tribunal as permissible counterclaims in Case No. 363.

18. The representatives of the parties hereto expressly declare that they are duly authorized and empowered to execute this agreement on behalf of the parties they claim to represent and that their signatures will bind their respective principals to fulfill their obligations hereunder, without limitation.

19. Each party to the Proceedings shall bear its own costs and attorneys' fees with respect to the claims settled herein.

 *at Hong Kong*

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Memorandum of Settlement.

Dated 23 November, 1987

AMERICAN EXPRESS COMPANY

By: Stephen Palm

Duly authorized

FOR AND ON BEHALF OF
THE IRANIAN ENTITIES

BANK MELLAT

By: [Signature]
Duly authorized

BANK MELLI IRAN

By: [Signature]
Duly authorized

BANK TEJARAT

By: [Signature]
Duly authorized

BANK REFAH KARGARAN

By: [Signature]
Duly authorized

BANK SADERAT IRAN

By: [Signature]
Duly authorized

BANK SEPAH

By: [Signature]
Duly authorized

Exhibit 2 to
Memorandum of Settlement

SUBMISSION TO THE IRAN -
UNITED STATES CLAIMS TRIBUNAL
CONCERNING CERTAIN CLAIMS
PENDING BEFORE IT TO WHICH
AMERICAN EXPRESS BANK LTD.
AND IRAN ARE PARTIES
("Submission")

IRAN UNITED STATES CLAIMS TRIBUNAL		دادگاه داری و معاری ایران - ایالات متحده
فایلد شد - FILED		
Date	7 DEC 1987 ۱۳۶۶ / ۹ / ۱۴	تاریخ
No.	364	شماره

IRAN - UNITED STATES CLAIMS TRIBUNAL
THE HAGUE, THE NETHERLANDS

Full Tribunal -and- Chamber 2

IN THE MATTER OF THE CLAIM OF AMERICAN
EXPRESS BANK LTD. (FORMERLY AMERICAN
EXPRESS INTERNATIONAL BANKING CORPORATION)

CASE NO: 363

This Submission to Tribunal sets forth for the Iran-United States Claims Tribunal (the "Tribunal") certain final agreements reached between AMERICAN EXPRESS BANK LTD. ("AEB") (FORMERLY AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION) and BANK MARKAZI IRAN ("Bank Markazi"), acting in accordance with the UNDERTAKINGS OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN WITH RESPECT TO THE DECLARATION OF THE GOVERNMENT OF THE DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA, dated January 19, 1981 (the "Undertakings") on behalf of itself and the Government of the Islamic Republic of Iran, its agencies,

instrumentalities or controlled entities (collectively with Bank Markazi, "Iran"), with respect to the matters specified herein.

1. Acting in accordance with the Undertakings, Bank Markazi and AEB have met in an effort to agree upon the amounts owing between AEB and Iran.
2. Through such discussions, AEB and Bank Markazi have concluded an accord finally settling certain disputes between AEB and Iran in accordance with a Memorandum of Settlement dated [], 1987.
3. In implementation of the full and final settlement of all claims and causes of action whatsoever by each party against the other in respect of the items settled in the Memorandum of Settlement the parties hereby request the Tribunal to order the dismissal of certain counterclaims brought against the claims asserted in Case No. 363 which are listed on Schedule 1 hereto.

Dated: , 1987

AMERICAN EXPRESS BANK LIMITED

By: _____

BANK MARKAZI IRAN

By: _____

By: _____

Schedule 1 to Exhibit 2 to
Memorandum of Settlement

<u>Name of Case</u>	<u>Case No.</u>	<u>Chamber No.</u>	<u>Portions of the Case Terminated</u>
American Express Bank Ltd. (formerly American Express International Banking Corporation), Claimant v Polyacryl Iran Corporation, <u>et al.</u> , Respondents.	363	2	Counterclaims interposed by Iranian Entities against AEB as more particularly described below.

Counterclaims to be Terminated

<u>Name of Iranian Entity</u>	<u>Reference No.</u>	<u>Amount of Counterclaim</u>
Banque Etebarat Iran	060889	US\$20,511.91
Bank Shahryar	00129247	US\$ 6,000.00
Bank Sepah	00129122	US\$ 1,040.00
Bank Saderat Iran	00125526	US\$ 7,827.98