

ORIGINAL DOCUMENTS IN SAFECase No. 434Date of filing: 22 MARCH 84**** AWARD**- Type of Award Agreed terms- Date of Award 22 MARCH 8410 pages in English12 pages in Farsi**** DECISION**

- Date of Decision _____

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**** CONCURRING OPINION** of _____

- Date _____

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**** SEPARATE OPINION** of _____

- Date _____

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**** DISSENTING OPINION** of _____

- Date _____

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IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داری دعای ایران - ایالات متحدہ

CASE NO. 434

CHAMBER THREE

AWARD NO. 118:-434-3

TRANS WORLD AIRLINES, INC.,
and DAVID R. BALFOUR,

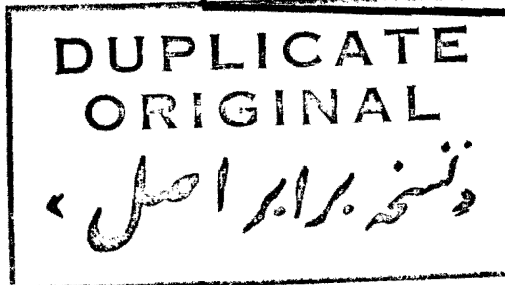
Claimants,

-and-

THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF IRAN, et al.,

Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری دعای ایران - ایالات متحدہ
ثبت شد - FILED	
Date	۱۳۶۲ / ۱ / ۲
2 2 MAR 1984	
No.	434



AWARD ON AGREED TERMS

Claimants TRANS WORLD AIRLINES, INC., and DAVID R. BALFOUR filed with the Tribunal on 18 January 1981 Statements of Claim against the Respondents GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, BANK MARKAZI, FOREIGN TRADE BANK OF IRAN OR ANY SUCCESSOR IN INTEREST THERETO, BANK IRANIAN OR ANY SUCCESSOR IN INTEREST THERETO, BANK MELLAT and ISLAMIC REPUBLIC IRANIAN AIR FORCE. Respondents all filed Statements of Defence, certain of the Respondents also filed Statements of Counterclaim.

On 23 February 1984 Claimants and Respondents filed a Joint Request for an Award on Agreed Terms with an attached Settlement Agreement. The Joint Request provides, inter alia, that "[t]he parties to the Settlement Agreement agree

that, in complete and final settlement of all claims and counterclaims between Claimants and Respondents in Case No. 434, The Government of Iran, Bank Markazi Iran, Bank Mellat will pay TWA the sum of five hundred thousand United States Dollars and no Cents (U.S. \$500,000.00). Bank Tejarat will transfer the sum of Rials seven million seven hundred fifty six thousand and forty two (Rls. 7,756,042), the present balance of bank account no. 607266, to TWA's bank account no. 4206 in Bank Mellat. Bank Mellat will leave seven million eight hundred fifty thousand rials (Rls. 7,850,000) in TWA's bank account no. 4206, in Bank Mellat, and no balance will be left in TWA's bank account no. 607266, in Bank Tejarat."

The Settlement Agreement provides, that upon fulfilment of these conditions, "Claimants' claim against the Air Force of the Islamic Republic of Iran in Case No. 434, shall gratuitously be considered as terminated" and the Parties "release and forever discharge each other from any and all claims, counterclaims, costs, fees and expenses relating to or arising out of Claimants' claims against Respondents in Case No. 434...."

Moreover, "[u]pon payment of the Agreed Sum, any claim by TWA against Respondents now pending in the U.S. Courts or elsewhere shall be considered terminated."

A copy of the Joint Request and the Settlement Agreement are attached hereto.

The Tribunal finds that an award on agreed terms may be issued upon the submissions before it, in accordance with Article 34 of the Tribunal Rules and the standards applicable thereto.

Based on the foregoing,

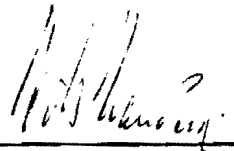
THE TRIBUNAL AWARDS AS FOLLOWS:

The settlement is hereby recorded as an Award on Agreed Terms binding on all the parties. Consequently, the Parties are bound to fulfill the conditions set forth in the Settlement Agreement.

The payment of U.S. \$ 500,000.00 referred to above shall be made 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 hereby submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague
22 March 1984



Nils Mangård
Chairman
Chamber Three

In the Name of God



Charles N. Brower



Parviz Ansari Moin

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

TRANS WORLD AIRLINES, INC., and
DAVID R. BALFOUR,

Claimants,

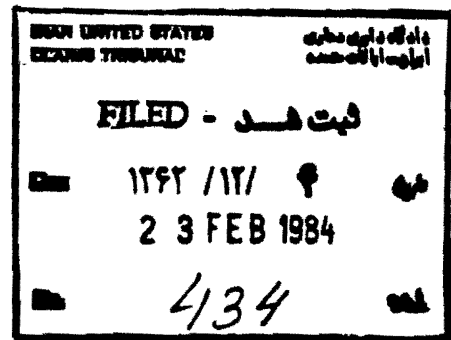
v.

GOVERNMENT OF THE ISLAMIC
REPUBLIC OF IRAN, BANK
MARKAZI, FOREIGN TRADE BANK
OF IRAN OR ANY SUCCESSOR
IN INTEREST THERETO, BANK
IRANIAN OR ANY SUCCESSOR
IN INTEREST THERETO, BANK
MELLAT and ISLAMIC REPUBLIC
IRANIAN AIR FORCE,

Respondents.

Claim No. 434

Chamber No. 3



JOINT REQUEST FOR AN
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure,
Trans World Airlines, Inc. ("TWA") and David R. Balfour
("Claimants"), and The Government of the Islamic Republic of Iran,
Bank Markazi Iran, Bank Tejarat, Bank Mellat, and Air Force of the
Islamic Republic of Iran ("Respondents"), jointly request that the
Tribunal issue an award on agreed terms that will record and give effect
to the Settlement Agreement reached by the parties.

On February 23, 1984, Claimants and Respondents entered into a
Settlement Agreement, a copy of which is attached hereto, resolving all
claims and counterclaims now existing or capable of arising between them
in Case No. 434. The parties to the Settlement Agreement agree that, in
complete and final settlement of all claims and counterclaims between

Claimants and Respondents in Case No. 434, The Government of Iran, Bank Markazi Iran, Bank Mellat will pay TWA the sum of five hundred thousand United States Dollars and no Cents (U.S.\$500,000.00). Bank Tejarat will transfer the sum of Rials seven million seven hundred fifty six thousand and forty two (Rls.7,756,042), the present balance of bank account no.607266, to TWA's bank account no.4206 in Bank Mellat. Bank Mellat will leave seven million eight hundred fifty thousand rials (Rls.7,850,000) in TWA's bank account, no. 4206, in Bank Mellat, and no balance will be left in TWA's bank account, no. 607266, in Bank Tejarat.

Accordingly, the parties request the Tribunal to record and give effect to the Settlement Agreement as an arbitral award on agreed terms, and, upon the fulfillment of the conditions referred to in paragraph 1 of the Settlement Agreement, dismiss the case against the Respondents in Case No. 434.

Respectfully submitted,

IN THE NAME OF GOD

FOR GOVERNMENT OF THE

ISLAMIC REPUBLIC OF IRAN

*with emphasis on Article 1(a)
of Settlement agreement*

Mohammad K. Eshragh
Agent for Government of the
Islamic Republic of Iran to
the Iran-United States
Claims Tribunal

FOR ALL CLAIMANTS

Jane Winer
Jane Winer, Esq.
Senior Attorney
Trans World Airlines, Inc.
Representative of Claimants

FOR AIR FORCE OF THE ISLAMIC
REPUBLIC OF IRAN

[Signature]
By Mohammad K. Eshragh

FOR BANK TEJARAT

By Mohsen Kakavand

*in the name of God
with emphasis on transfer of
Rial Acc in Bank Tejarat
to Rial Acc in Bank
Mellat*

IN THE NAME OF GOD

FOR BANK MARKAZI IRAN
BANK MELLAT

By Saied Niazi *Saied Niazi*

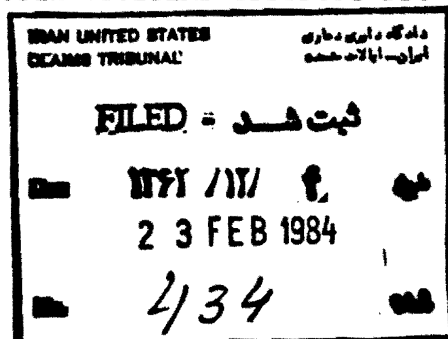
SETTLEMENT AGREEMENT

THIS AGREEMENT, made this 17 day of February 1984, by and between TRANS WORLD AIRLINES, INC. ("TWA"), a corporation of the State of Delaware, U.S.A. 605 Third Avenue, New York, New York 10158, DAVID R. BALFOUR ("Balfour"), BANK TEJARAT (legal successor to Bank Iranian), of Iranian nationality, No. 184 East Taleghani Avenue, Tehran, Iran, BANK MELLAT (itself and as legal successor to Foreign Trade Bank of Iran), of Iranian nationality, Saadi Avenue, Tehran, Iran, THE BANK MARKAZI IRAN ("BMI"), of Iranian nationality, Ferdowsi Avenue, Tehran, Iran, the GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN ("The Government of Iran"), and the AIR FORCE OF THE ISLAMIC REPUBLIC OF IRAN,

WHEREAS, there is presently pending in the Iran-United States Claims Tribunal (the "Tribunal") an arbitration proceeding brought by TWA and Balfour, as Claimants, against The Government of Iran, the Air Force of the Islamic Republic of Iran, BMI, Bank Mellat and Bank Tejarat, as Respondents, entitled Trans World Airlines, Inc. and David R. Balfour v. Government of the Islamic Republic of Iran, Bank Markazi, Foreign Trade Bank of Iran or Any Successor in Interest Thereto, Bank Iranian or Any Successor in Interest Thereto, Bank Mellat, and Islamic Republic Iranian Air Force, Case No. 434, Chamber 3 ("the arbitration"); and

WHEREAS, Respondents have filed certain defenses and counterclaims pertaining to the said case arising out of or in relation to the said claim; and

WHEREAS, Claimants and Respondents (hereinafter, the "parties") desire to settle all claims and counterclaims asserted between and among them in the arbitration.



NOW THEREFORE; in consideration of the mutual promises and agreements herein set forth, the parties agree as follows.

1. In full and final settlement of all outstanding claims, counterclaims and disputes between and among the parties relating to or arising out of the subject matter of Case No. 434:

- (a) In accordance with the permission of the Exchange Control Commission of Bank Markazi Iran dated 11 December, 1983, the Government of Iran, BMI, and Bank Mellat agree to pay to Claimants the total sum of five hundred thousand United States Dollars and no Cents (U.S.\$500,000.00) ("Agreed Sum") payable to Trans World Airlines, Inc.;
- (b) Upon payment of the Agreed Sum and upon receipt by Bank Tejarat of request of TWA, the rial balance in TWA's bank account in Bank Tejarat, account no. 607266, will be transferred to TWA's Rial account no. 4206 in Bank Mellat, TWA's account no. 607266 in Bank Tejarat will be reduced to zero and such account will be closed, and the rial balance in TWA's bank account in Bank Mellat, account no. 4206, will be reduced to seven million eight hundred fifty thousand rials (Rls.7,850,000), such balance not to be subject to transfer; and
- (c) upon the fulfillment of the conditions of (a) and (b) of this paragraph 1, Claimants' claim against the Air Force of the Islamic Republic of Iran in Case No. 434, shall gratuitously be considered as terminated.

2. Effective as of the date of the receipt by TWA of the Agreed Sum and of telex confirmation from Bank Mellat that the balance in TWA's bank account in Bank Mellat, account no.4206, is Rls.7,850,000 ("effective date"), the parties hereby release and forever discharge each other from

M.K. J.W. L.M.

any and all claims, counterclaims, costs, fees and expenses relating to or arising out of Claimants' claims against Respondents in Case No. 434, including all costs and fees in connection with the prosecution or defense of the arbitration. The releases contained in this paragraph will be self-executing as of the effective date and no further document needs to be executed in implementing such releases.

3. Upon receipt by TWA of the Agreed Sum and of a telex from Bank Mellat confirming that the balance in TWA's bank account in Bank Mellat is Rls 7,850,000, all claims and counterclaims that were asserted between and among the parties in Case No. 434 shall be deemed fully and finally settled. In addition, promptly upon receipt of the Agreed Sum and of said confirmation telex, the parties shall move to dismiss with prejudice all claims and counterclaims between the parties interposed in Case No. 434.

4. Upon payment of the Agreed Sum, any claim by TWA against Respondents now pending in the U.S. Courts or elsewhere shall be considered terminated.

5. The parties agree to submit this Settlement Agreement to the Tribunal no later than February 23 1984, with a joint motion requesting the Tribunal to record and give effect to the Settlement Agreement as an Award on Agreed Terms and to issue an order for payment to TWA of the Agreed Sum from the Security Account established under paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

6. It is understood that this Settlement Agreement is made in a spirit of private settlement of disputes and that it shall not affect any position of Claimants or Respondents in any matter other than Case No. 434.

Claimants and Respondents further agree that they shall not use or cause any third party to use this Settlement Agreement in the prosecution or defense of any other case before the Iran-United States Claims Tribunal or elsewhere, except for the purpose of enforcing this Settlement Agreement.

7. This Settlement Agreement will be deemed void and without further force and effect if it is not submitted to the Tribunal by February 23 1984 as part of a joint motion for an Award on Agreed Terms, or if the Tribunal, within 60 days of the filing of the joint motion, does not grant an Award on Agreed Terms as contemplated hereby, or if the Agreed Sum is not paid within 90 days of the filing of the joint motion.

8. The parties warrant and represent that the persons executing this Settlement Agreement on each of their behalfs have been duly and fully authorized to do so and that their signatures will commit their respective principals to the fulfillment of their respective obligations hereunder.

9. This Settlement Agreement may be amended only in writing duly and jointly executed by the parties.

10. All notices relating to this Settlement Agreement shall be in writing or by wire and will be sufficient if delivered as follows.

A. If to Claimants, to:

Jane Winer, Esq.
Trans World Airlines, Inc.
605 Third Avenue, 43rd Floor
New York, New York 10158
U.S.A.
Teletype: NYCGWTW

B. If to Respondents, to:

Bank Markazi Iran, Legal Department
Tehran - Iran
Telex: 213966

IN WITNESS WHEREOF, the parties have caused this Settlement Agreement to be executed by their duly authorized representatives this 23rd day of February 1984.

10
The Government of the
Islamic Republic of Iran
With emphasis on Article 1(a)
above
By Mohammad K. Eshragh
Title Agent of the Islamic Republic
of Iran

Bank Markazi Iran
Bank Mellat

By Said Niazi Said Niazi
Title Representative

Bank Tejarat

By Mohsen Kakavand
Title Representative

In the name of God
with emphasis on Transfer of
Risk A/C in Bank Tejarat
to Risk A/C in Bank Mellat
etc.

For Air Force of the Islamic
Republic of Iran

By Mohammad K. Eshragh
Title Agent of the Islamic Republic
of Iran

Trans World Airlines, Inc.
(on behalf of TWA and
David R. Balfour)

By Jane Winger
Jane Winger, Esq.
Title Senior Attorney T.W.A.