

Paardekooper & Hoffman

Centraal Joods Overleg (CJO)
Attn. Members of the Board
Van der Boechorstraat 26
1008 AD AMSTERDAM

Den Haag, April 26th 2000
Avw/TB/C190DA28

Concerning: Present value of damage by performance VvdE.

Dear Members of the Board,

Archief Philip Staal

1 Assignment

In pursuance of your order we have calculated the current value of the damage done to the Jewish stockholders, in your opinion concerning the damage that is done by the “Association of Stocktraders” and its members, hereafter jointly mentioned as “The Stock Exchange”.

After this – in paragraph 2 - there will be an additional explanation as to the nature of the damage. In paragraph 3 we provide a calculation in survey of the current value of the claim. For the sake of good order we would like to bring to your attention that in this letter we did not include an accountants control.

2 Character of the damage

Reference

In this paragraph we especially used the information following the final report of the “Accompaniment Commission of Research of financial outstanding claims of World War 2 in The Netherlands” (also called “Commission Scholten”). Reference to this report is done by mentioning “Scholten 1, and/or Scholten 2, respectively part 1 and part 2 of mentioned report and with stating of the relevant page number.

Claim

Among the goods that were robbed by the German occupying forces, the stocks took up a special position. First of all due to the massive nature of the stock robbery and the enormous amounts that were involved. But because of the massive character of this robbery, the stocks distinguish themselves – especially the stock market quoted bearer stocks – from the other components due to their flexible tradability (Scholten 2, page 265-266).

The combination of several developments, through which “The Association of Stocktraders” was playing an important part in the rehabilitation, caused that up until 1953 there was no actual rehabilitation in the shape of restitution of the robbed goods. Even in the case when bad faith in the buying the Jewish Stocks was highly likely, hardly any restitution was executed (Scholten 1, page 12).

Scholten qualifies this as follows: “Incorrect is the fact that “The Association of Stocktraders” decided to do a strike and was only prepared to end this unless the responsibility of the members of the - during the years of war performed stock transactions – were abolished, barring special circumstances”. (Scholten 1, page 12).

That the - then Minister of Finances - finally came with a proposal that worked out well for deposits does not alter the fact that with this big infringe was made on the principle of a independent jurisdiction and to the principal that those who have executed erroneous actions, become guilty of detriment (Scholten 1, page 12).

The therefor created proposal concerns the “Plan Warrantfund 1953”. Purpose of this plan was twofold (Scholten 2, page 391):

- Complete safeguarding of the deposits. By complete safeguarding is meant: complete restitution of the value of the stock at the time the depositors agreed on the measure, included all the after December 31st 1941 damages;
- (nearly) complete safeguarding of the members of the “Association of Stocktraders” of actions of indemnification of recovered deposits not owned by them and of recourse actions of the nowadays owners, that were supposed to return the stocks to the original owners.

The Minister of Finances has once more in 1953 predominated the function of the Stock exchange above the infringement that was made in the system of rehabilitation (Scholten 1, page 12).

Estimated was that for the financing of the plan an amount of Hfl 139 million would be necessary. The financing of this amount took place as following (Scholten 2, page 395):

Purchase LVVS claims	Hfl 78 million
Capital levy	Hfl 32 million
Contribution state	Hfl 26 million
Contribution members “Association of Stocktraders”	Hfl 3 million
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Sum total	Hfl 139 million

With regard to the - by the Association deposited money - the commission notices that (Scholten 2, page 399/400) the Association (quotation): “ should have given a sacrifice of only Hfl 3 million, which is a trifle compared to the total costs of the offer, a negligible amount compared to the costs that were saved by this.”. (end of quotation)

The plan has nearly cost the same as was estimated (Scholten 2, page 417). This means that an amount of Hfl 139 million was paid to the rightful claimants.

In the recommendations towards policy the Commission Scholten provides an extensive elucidation to her recommendations concerning the stock rehabilitation (Scholten 1, page 15-16). In this first recommendation is among other things stated that – in spite of the Hfl 3 million that was deposited into the warrantfund after the war by the Association – the Commission considers it in every respect that – as a close down of her important part of the actual rehabilitation, The Association of the AEX Stockexchanges would decide to donate an amount to the Jewish community. The Commission considers it impossible to give a well substantiated figural advise, but is taking an amount of several million guilders as reasonable. Moreover the Commission emphasizes the symbolic character of a suchlike amount.

In your opinion however it is not a symbolic amount, but a restitution of the suffered damage. This confirms the approach which was also pursued in the deliberation with the government as a result of the recommendations done by the Contactgroup Claims World War 2 and the agreement that was reached on November 9th 1999 by the CJO and the Union of Insurance Companies.

In her report the Contactgroup advised the government to send the Jewish community a financial contribution, in connection with the retrospectively harmful consequences of government acting. The size of this was according to opinion of the Contactgroup indeterminable. However the Contactgroup considers it reasonable that the government would put at disposal an amount of Hfl 250 million.

In pursuance of your order, based on the information in the report of the Contactgroup, a calculation of the actual value of the amounts that were flown to The Government as a consequence of their acts is made. On the basis of these calculations, discussions with The Government have taken place and recently an agreement has been reached.

On these grounds The Government has acknowledged the moral claim of the Jewish community on the Government's reposed Jewish claims and disposed an amount of Hfl. 400 million to the Jewish community (in this matter represented by the CJO).

In the paragraph hereafter a calculation is included of the actual value of the damage that was done to the Jewish stockowners through the Stock.

3 Actual value damage

As stated above, to the rightful owners 90% of the by them sustained damage was compensated by the Warrantfund. Altogether an amount of a round sum Hfl 139 million was paid. This means that the damage (based on 100%) in 1953 was a round sum of Hfl 154 million. Not paid therefor is an amount of Hfl 15 million.

For the calculation of the actual value of the damage suffered by the Jewish community, the following starting points need to be used:

- The share of the Jewish deposits in the damage amount 80%
- The value of the stocks for which in connection with the Plan Warrantfund 1953 a restitution (of 90%) was given, excited for 50% of shares and for 50% of bonds
- Calculation of interest of the amount takes place on the principle that:
 - A stock exchange index (1953 = 100) concerning the shares. A survey of the stock-exchange quotation is included as enclosure 1 within this letter. From this enclosure the factor of interest of 993,1/15,5 that is 64,07 is apparent
 - Interest on long term loans concerning shares. A survey of the used interest percentage is included as enclosure 2 within this letter. From this enclosure a factor of interest of 20,1381 is apparent

On the ground of the above mentioned information and starting points the actual value of the damage can be calculated as follows:

The damage in 1953 in guilders amounts to Hfl 15 million (see the before). The share of the Jewish deposits is determined on 80% and therefor Hfl 12 million. This amount consists of the damage of shares and stocks, both 50%:

Shares 50%, that is Hfl 6 million, factor 64,07	Hfl 384,4 million
Stocks 50%, that is Hfl 6 million, factor 20,1381	Hfl 120,8 million

Sum total	Hfl 505,2 million
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A round sum	Hfl 505,0 million

We trust to have informed you to your satisfaction. Naturally we are more then willing to provide in more information in case of necessity.

With kind regards,

Paardekooper & Hoffman
Accountants

A.A.J.J. van Wersch
(chartered accountant)

Encl. 2