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**WHORM Subject File Code:** CO071

(Countries: Iran)

**Case File Number(s):** BEGIN-003199

**Box Number:** 89

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*Last Updated: 11/07/2023*

*PPH*

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NTD016

5.66 American Sovereignty Protection Act  
from Sen. S.I. HAYAKAWA

THE WHITE HOUSE  
WASHINGTON

*Jx* 4/14/81

FOR STAFFING

Needs draft response which  
Mr. Friedersdorf can use if  
he decides to make more substantive  
reply at a later date.

Please return to my attention. Thanks.

Janet Colson

*Sub / Mary -  
Handle as you think  
appropriate. Thanks.  
JC*

NSC SECRETARIAT

Comment:

*To state for  
appropriate handling  
JK.*

NSC#8102039

REFERRAL

DATE: 21 APR 81

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION:

TO: PRES

FROM: HAYAKAWA, S I

DATE: 17 JAN 81

KEYWORDS: IRAN

TERRORISM

HAYAKAWA, S I

ILLEGAL ALIENS

CO

SUBJ: SEN HAYAKAWA S-66 BILL RE AMERICAN SOVEREIGNTY PROTECTION ACT

-----  
REQUIRED ACTION: FOR INFORMATION / APPROPRIATE HANDLING

DUE DATE: 28 APR 81

COMMENTS:

*Cathy Mellison*

FOR ALLEN J LENZ

STAFF DIRECTOR

----- FOR NSC USE ONLY -----

FOR INFO SCHWEITZER

DE GRAFFENREID

F

O HW C

April 8, 1981

TO: JANET COLSON

FROM: CHARLIE PONTICELLI *emp*

SUBJECT: Letter from Senator Hayakawa on his bill, S. 66.

Janet, this letter had apparently been misplaced in the shuffle of mail between the Transition Office and the White House. It mysteriously "resurfaced" in the Staff Secretary's office some three weeks ago.

Because I feel that an interim response would just be too awkward at this point, I wonder if you could simply route it to the appropriate office at State for their information. (Perhaps they might even be able to come up with an appropriate reply from their standpoint.)

Thanks very much for your kind assistance!

S. I. HAYAKAWA  
CALIFORNIA

GENE PRAT, PH. D.  
ADMINISTRATIVE ASSISTANT

United States Senate

WASHINGTON, D.C. 20510

200006 SS  
COMMITTEES:  
AGRICULTURE, NUTRITION,  
AND FORESTRY  
FOREIGN RELATIONS  
SMALL BUSINESS

MEMORANDUM

TO: Dutch  
FROM: Samurai Sam *S.I.H.*  
SUBJECT: Fallout from Iranian Crisis  
DATE: January 17, 1981

-----  
Whether or not the American hostages are released on or before January 20, I wish to draw your attention to legislation which will provide you with added powers to deal with the Iranian situation (should it not be resolved) but more important, to deal with future similar occurrences.

On March 19, 1980, I introduced the American Sovereignty Protection Act. It is an amendment to a section of the United States Code that says:

"Whenever there is declared war between the United States or any invasion or predatory incursion is perpetrated...against the territory of the United States by any foreign nation or government, and the President makes public proclamation of the event, all natives, citizens, denizens, or subjects of the hostile nation or government, being of the age of fourteen and upward ...and not actually naturalized, shall be liable to be apprehended, restrained, secured and removed as alien enemies." (Italics supplied.)

This legislation which I introduced on January 6, S. 66, simply expands the 1798 statute by defining "predatory incursion... against the territory of the United States" to include the seizing and holding the premises of a diplomatic mission of the United States with or without the taking of any diplomatic agent of the United States as a hostage by a foreign nation or government (or the aiding and abetting by a foreign nation or government of any individual or group).

In other words, citizens of a nation which inflict this type of terrorism, under S. 66, can be detained for eventual deportation. All that is required is the Presidential proclamation that a "predatory incursion" against the United States has been perpetrated, and the discretionary presidential power to detain and deport can be evoked under the Alien Enemy Act.

January 17, 1981

Of course it is not my purpose to start a vast round-up and expulsion of any and all nationals of these countries, such as Iran, within the U.S. But we can start by getting rid of those who aim to create violence in our streets in the course of their demonstrations and who show total disregard for any sense of propriety as non-immigrant visitors.

But the over-riding reason for the enactment of S. 66 and taking action based on it is that the current nuclear stalemate breeds a new type of government sponsored war-like activity. Our experience with Iran during the past fourteen months has been a poignant example of this, and other nations may be tempted to similar acts of kidnapping and extortion. As a necessary follow-up to the hostage crisis, you must have the appropriate tools for prompt action on the part of your Administration to show that there can be serious consequences to the violation of international law and civility. It will really show the world that the U.S. is under a new and different kind of administration--one that is ready to face the world as it exists in the 1980's.

Footnote: Senators Laxalt, Helms and Pressler are cosponsors of S. 66.

*S. I. Hayakawa*



United States  
of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 97<sup>th</sup> CONGRESS, FIRST SESSION

Vol. 127

WASHINGTON, TUESDAY, JANUARY 6, 1981

No. 2

## Senate

By Mr. HAYAKAWA:

S. 66. A bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the United States may be treated as alien enemies; to the Committee on the Judiciary.

### AMERICAN SOVEREIGNTY PROTECTION ACT

● Mr. HAYAKAWA. Mr. President, on March 19 of last year I introduced the American Sovereignty Protection Act in an effort to deal with the Iranian situation. In the ensuing months it has become increasingly apparent to me that this legislation provides an appropriate and necessary Presidential authority for the contemporary milieu.

As I see it, the question arises as to what in this day and age constitutes a "war" or "state of hostilities" requiring extraordinary measures. On the basis of what all of us have been witnessing in the last 30 years on the international scene, I respectfully submit that the concept of "war" in this nuclear age has changed. Incidents—perpetuated with governmental approval—of international

terrorism, of taking and killing diplomatic personnel, of seizing diplomatic property, of invading foreign territory, of prolonged fighting without declaration of war are too numerous to be listed here.

In a less "enlightened" period of history most of these events would have been followed by miscellaneous declarations of war but today the situation is different. The nuclear stalemate that exists necessitates extreme caution and prevents the principal actors in the international arena from formalizing warlike actions which de facto amounts to the conduct of war. Accordingly, we have invented such terms as "police actions," "liberation movements," "protection of some particular doctrine," and "humanitarian rescue missions."

Mr. President, I believe that not a single Member of the Senate would deny that in the last decade there were innumerable cases of a "state of antagonism" and/or of "struggle between opposing forces" which were tantamount to a de facto war although war was not declared. Obviously, the taking of our hostages in Iran was the impetus for introducing the American Sovereignty Protection Act.

However, projecting the experiences of the last 30 years into the future, it seems to me of paramount importance to give the President authority to deal with situations which would have seemed unthinkable in 1798 when the Alien Enemy Act was written.

The Alien Enemy Act, allows the President to declare that nationals of a country with whom we are at declared war or when any invasion or predatory incursion is perpetrated, attempted or threatened against the territory of the United States shall be liable to be apprehended, restrained, secured, and removed as alien enemies. My bill amends the Alien Enemy Act to expand the definition of alien enemies to include nationals of foreign nations or governments (or the aiding or abetting by a foreign nation or government of any individual or group) who seize or hold the premises of a diplomatic mission and/or the taking of any diplomatic agent of the United States as hostage.

When our Embassy in Tehran was seized and Americans were taken hostage I was deeply outraged—as were all Americans. But the initial release of some of the hostages gave us hope that all might be returned home in the very near future. And so we tied yellow ribbons and appealed to the United Nations and to the International Court of Justice, expecting that reason would prevail.

Fifteen months have passed and so far efforts on the part of the Carter administration to gain the release of the hostages have failed. In the meantime pro-Khomeini Iranians held anti-American demonstrations in many of our cities—in some cases leading to violence. The subsequent arrests of many of these Iranian dissidents illustrated the inadequacy of present immigration regulations which did not provide the necessary Presidential authority for the deportation of the demonstrating Iranian nationals. Had the American Sovereignty Protection Act been enacted into law, the President would have had the necessary authority to detain at his discretion these dissidents for eventual deportation.

It is my fervent hope, Mr. President, that the hostage situation will be resolved soon. I also hope that we will not be subjected again to violent demonstrations similar to those of last fall.

2

But it  
is imperative that Congress enact measures that reflect the world as it exists in the 1980's. The American Sovereignty Protection Act is one measure that does just that. Mr. President, I urge the Senate to give this important legislation its immediate consideration. ●



RECEIVED 14 APR 81 11

TO COLSON

FROM PONTICELLI, C

DOCDATE 08 APR 81

KEYWORDS: IRAN

TERRORISM

HAYAKAWA, S I

ILLEGAL ALIENS

CO

SUBJECT: SEN HAYAKAWA S-66 BILL RE AMERICAN SOVEREIGNTY PROTECTION ACT

ACTION: DRAFT REPLY FOR WH SIG

DUE: 15 APR 81 STATUS S FILES

FOR ACTION

FOR COMMENT

FOR INFO

KEMP

SCHWEITZER

DE GRAFFENREID

COMMENTS

REF#

LOG

NSCIFID

( H / )

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

*State of 4/21 Appropriate handling or info*

*[Signature]* ✓

*[Signature]* ✓

DISPATCH

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W/ATTCH

FILE

*[Signature]*

**WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD)

8/1/01 126

ID # 000199  
C0071

Name of Correspondent: Arnold I. Burns

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: United States Citizens' Claims against Iran

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>CY Mark Leland</u>	<u>ORIGINATOR</u>	<u>8/1/01 128</u>	<u>WS</u>		<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				<u>1 1</u>
		<u>1 1</u>			<u>1 1</u>
	Referral Note:				<u>1 1</u>

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- Code = "A"
- Completion Date = Date of Outgoing

Comments: Telegram & Letter

Keep this worksheet attached to the original incoming letter.  
Send all routing updates to Central Reference (Room 75, OEOP).  
Always return completed correspondence record to Central Files.  
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

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### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: L Individual Codes: 4640 \_\_\_\_\_

Prime Subject Code: Co 071 Secondary Subject Codes: FO 004-03  
JL 007 \_\_\_\_\_

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: _____	P-
DSP		Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence
  - n - 1 - Ronald Wilson Reagan
  - n - 2 - Ronald Reagan
  - n - 3 -
  - n - 4 -
  - n - 5 -
- CLn - First Lady's Correspondence
  - n - 1 - Nancy Reagan
  - n - 2 -
  - n - 3 -
- CBn - Presidential & First Lady's Correspondence
  - n - 1 - Ronald Reagan - Nancy Reagan
  - n - 2 -

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- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

5

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445 PARK AVENUE NEW YORK 10022

MA

(212) 980-3200

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STUART A. SUMMIT  
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LEONARD ROVINS  
HERBERT P. JACOBY  
MAX D. SPITZER  
ALAN D. GALLAY  
WALTER E. WASHINGTON\*  
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(202) 659-3300

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MILTON E. CANTER  
NORMAN A. HOWARD  
EVERETT A. FROHLICH  
JACQUIN D. BIERMAN  
COUNSEL

CABLE: BURNLEX  
TELEX: 14-8376

\* D. C. BAR ONLY

January 26, 1981

BY HAND

The President  
The White House  
Washington, D.C.

Re: United States Citizens' Claims Against Iran

Dear Mr. President:

Further to my telex of January 25, 1981, we are the attorneys for two United States citizens, William Bikoff and George Eisenpresser, on whose behalf we have commenced an action in the United States District Court for the District of Columbia seeking \$450 million in damages against the Islamic Republic of Iran for its expropriation of their property interests. We are writing this letter to call your attention to the fact that, as a practical matter, the result of all actions taken by the Executive branch of the Government in effectuating the release of the hostages, has been to nullify the claims of our clients and undoubtedly others.

Now that our United States citizens held prisoners of war are free and their life and liberty safeguarded, we ask you, personally, to see that the rights of other United States citizens whose property was confiscated in Iran be protected.

As the provisions of the Carter Administration's agreement with Iran are gradually made public, it becomes readily apparent that certain citizens are being treated disparately. This is borne out by the following:

1. the courts are at odds; conflicting decisions and unequal treatment abound;
2. the banks have received preferential treatment; they

participated in the negotiations and have had their property interests substantially, if not fully, protected;

3. a source of protection through international arbitration is to be created for certain citizens who qualify but it appears that those like Bikoff and Eisenpresser will be excluded; and

4. those excluded appear to be left with no realistic forum in which to present their claims, as, even if they are allowed to proceed in the courts of the United States they are precluded by the orders implementing the agreement from satisfying any judgment they may obtain.

This result is wholly inequitable. Unless your Administration commits itself to immediate affirmative action all Americans will not be treated justly and some, by reason of United States Government action, will be deprived of their property without just compensation in contravention of the explicit requirements of the Constitution.

We ask that your Administration take appropriate steps to see that the guaranteed rights of these citizens are effectuated and the necessary procedures implemented to give our clients and others similarly situated the right to arbitration or a realistic means by which they can obtain a fair adjudication and payment of their claims.

We are aware of a telex sent to you by the New York Plaintiffs' Steering Committee in Iran Litigation and a subsequent letter to you dated January 23, 1981, in which we concur in principle. However, as the claimants represented by the New York Plaintiffs' Steering Committee may be excluded from arbitration under a significantly different provision of the agreement than that which appears to preclude our clients, and as we represent the largest United States claimants, we ask that we be included in any meeting arranged between representatives of the Steering Committee, or any others, with the Secretaries of State and the Treasury, and the Attorney General or their or any other representatives of your Administration.

Respectfully yours,

  
Arnold I. Burnham

cc: The Vice President of the United States  
The Attorney General of the United States  
The Secretary of State of the United States  
The Secretary of the Treasury of the United States  
The Honorable Charles H. Percy  
The Honorable Daniel Patrick Moynihan  
The Honorable Alfonse M. D'Amato  
Mr. Anthony M. Solomon, President,  
Federal Reserve Bank of New York

WU INFOMASTER 4-012194S025 01/25/81  
ICS IPMMTZZ CSP  
2129803200 IDMT UG NEW YORK NY 379 01-25 0559P EST  
TWX 7108229305 WHITE HSE WASH  
PRESIDENT REAGAN

WHITE HOUSE  
WASHINGTON DC  
REFERENCE: CONFISCATION BY IRAN OF SUBSTANTIAL PROPERTY INTERESTS OF  
WILLIAM BIKOFF AND GEORGE EISENPRESSER, UNITED STATES CITIZENS

DEAR MR PRESIDENT:

1981 JAN 26 AM 7 38

WE ARE THE ATTORNEYS FOR WILLIAM BIKOFF AND GEORGE EISENPRESSER TWO  
UNITED STATES CITIZENS WHO HAVE ONE OF THE MOST SUBSTANTIAL CLAIMS  
AGAINST IRAN FOR CONFISCATION OF THEIR PROPERTY. THEY ARE SUEING IRAN  
IN THE UNITED STATES COURTS.

THE CONSTITUTION OF THE UNITED STATES STATES THAT NONE OF OUR UNITED  
STATES CITIZENS SHALL BE DEPRIVED OF LIFE, LIBERTY OR PROPERTY  
WITHOUT DUE PROCESS OF LAW. NOW THAT OUR PRISONERS OF WAR ARE FREE  
AND THEIR LIFE AND LIBERTY SAFEGUARDED WE AS A NATION ARE CONFRONTED  
WITH THE PROBLEM OF PROTECTING THE PROPERTY OF OUR UNITED STATES  
CITIZENS.

THE CONSTITUTION ALSO SAYS THAT EACH OF OUR CITIZENS IS ENTITLED TO  
THE EQUAL PROTECTION OF THE LAWS. AS THE DETAILS OF THE CARTER  
ADMINISTRATION'S AGREEMENT WITH IRAN SLOWLY COME TO LIGHT IT IS  
APPARENT THAT CITIZENS LIKE BIKOFF AND EISENPRESSER ARE NOT GOING TO  
BE DELT WITH ON THE SAME BASIS AS OTHER CITIZENS. THE PRICE THEY PAY  
IS GOING TO BE MUCH HEAVIER THAN THE PRICE PAID BY OTHERS. THIS IS  
THE PRACTICAL RESULT OF A COMPLEX SITUATION. THE COURTS ARE UNABLE TO  
DEAL WITH THESE DIFFICULT PROBLEMS EXPEDITIOUSLY AND UNIFORMLY AND  
RECEIVE VITAL AND PERTINENT INFORMATION PIECEMEAL. SIMILARLY SITUATED

PETITIONERS HAVE RECEIVED UNEQUAL TREATMENT SO FAR. THE PROVISION FOR  
ARBITRATION COVER SOME AND NOT OTHERS LIKE BIKOFF AND EISENPRESSER.  
THE BANKS HAVE BEEN PREFERRED. THEY PARTICIPATED IN THE NEGOTIATIONS,  
OTHER CLAIMANTS DID NOT. THE CARTER DEAL IN EFFECT CALLS FOR THE  
TERMINATION OF ALL LEGAL PROCEEDINGS AGAINST IRAN.

MR PRESIDENT, UNLESS YOUR ADMINISTRATION PROVIDES SOME SENSE AND  
ORDER, THE NET RESULT WILL BE THAT AMERICANS CITIZENS, BY REASON OF  
UNITED STATES GOVERNMENT ACTIONS, WILL LOOSE THEIR PROPERTY WITHOUT  
JUST COMPENSATION AS EXPLICITLY REQUIRED BY THE CONSTITUTION.

THE NEW YORK PLAINTIFFS STEERING COMMITTEE IN IRAN LITIGATION HAS  
TELEXED YOU. WE CONCUR IN WHAT THEY SAY IN PRINCIPLE. HOWEVER, OUR  
CLIENTS PROBLEMS ARE DIFFERENT AND THEIR CLIAM IS NOT INSIGNIFICANT.

WE RESPECTFULLY REQUEST THAT WE BE HEARD AT ALL EXECUTIVES  
DEPARTMENTS CONSIDERATIONS OF THIS SERIOUS PROBLEM.

A LETTER PROVIDING FURTHER DETAILS OF THIS UNTENABLE SITUATION WILL  
BE DELIVERED TO YOU ON MONDAY JANUARY 26, 1981.

THANK YOU SO VERY MUCH.

ARNOLD I BURNS  
BURNS JACKSON SUMMIT ROVINS & SPITZER  
445 PARK AVE  
NEW YORK NY 10022  
(212)980-3200

1805 EST

WHITE HSE WASH

WU INFOMASIK 4-0121945025 01/25/81  
ICS IPMMTZZ CSP  
2129803200 TDMT UG NEW YORK NY 379 01-25 0559P EST  
TWX 7108229305 WHITE HSE WASH  
PRESIDENT REAGAN  
WHITE HOUSE  
WASHINGTON DC  
REFERENCE: CONFISCATION BY IRAN OF SUBSTANTIAL PROPERTY INTERESTS OF  
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DEAR MR PRESIDENT:

1981 JAN 26 AM 7 3

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445 PARK AVE  
NEW YORK NY 10022  
(212)980-3200

1805 EST

WHITE HSE WASH

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 81 10 128

ID # 000585

00071

Name of Correspondent: Betty Laura Monami

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Opposes agreement made with Iran concerning hostages

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
		ORIGINATOR	<u>1 1</u>			<u>1 1</u>
<u>99</u>	<u>DOS</u>	<u>A</u>	<u>81 10 21 02</u>		<u>PA</u>	<u>81 10 31 10</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
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- Code = "A"
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Comments: \_\_\_\_\_

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## RECORDS MANAGEMENT ONLY

### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: M Individual Codes: 4000 \_\_\_\_\_

Prime Subject Code: CO 071 - \_\_\_\_\_ Secondary Subject Codes: EO 009 - \_\_\_\_\_  
JL 003-03 - \_\_\_\_\_  
JL 009 - \_\_\_\_\_

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C		Time: _____	P-
DSP		Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence
  - n - 1 - Ronald Wilson Reagan
  - n - 2 - Ronald Reagan
  - n - 3 -
  - n - 4 -
  - n - 5 -
- CLn - First Lady's Correspondence
  - n - 1 - Nancy Reagan
  - n - 2 -
  - n - 3 -
- CBn - Presidential & First Lady's Correspondence
  - n - 1 - Ronald Reagan - Nancy Reagan
  - n - 2 -

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- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

*file*

S/S # 8104477  
Date March 10, 1981

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

FOR: Mr. Richard V. Allen  
National Security Council  
The White House

REFERENCE:

TO: The President FROM: Mrs. Betty Laura Monemi  
DATE: January 24, 1981 SUBJECT: Opposes agreement  
with Iran concerning hostages (ID: 000585)  
WHITE HOUSE REFERRAL DATED: 2/2/81 NSC # 000585  
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY  
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

*for* *Angel Raham*  
L. Paul Bremer, III  
Executive Secretary



DEPARTMENT OF STATE

Washington, D.C. 20520

March 10, 1981

Mrs. Betty Laura Monemi  
211 Holden Drive  
Clemson, South Carolina 29631

Dear Mrs. Monemi:

The President has asked me to reply to your telegram of January 24 regarding the agreement with Iran of January 19, 1981, on claims of United States nationals against the Islamic Republic of Iran.

President Reagan and the Administration have decided to implement the claims settlement agreement and related documents dated January 19, 1981. Former President Carter and President Reagan already have issued various executive orders regarding their implementation.

The Department of State will publish very soon a notice in the Federal Register and issue a press release establishing appropriate procedures for the handling of claims of U.S. nationals against Iran and will notify claimants of the action that should be taken with regard to those claims. However, from the correspondence, the nature of the proceedings before the Federal court in the District of Columbia is not apparent. Also, it is not clear whether your claim would be subject to the jurisdiction of the Iran-United States Tribunal established by the January 19, 1981, agreement referred to above.

The Department will retain your case in the list of pending claims against Iran and will communicate with you further.

I regret that I am unable to give you a favorable reply. If you have any questions, please do not hesitate to call on me. My telephone number is (202) 632-1367.

Sincerely yours,

/s/

Thomas T. F. Huang  
Acting Assistant Legal Adviser

THE WHITE HOUSE OFFICE

REFERRAL

8104477

FEBRUARY 2, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:  
APPROPRIATE ACTION

DESCRIPTION OF INCOMING:

ID: 000585

MEDIA: TELEGRAM, DATED JANUARY 24, 1981

TO: PRESIDENT REAGAN

FROM: MS. BETTY LAURA MONAMI  
211 HOLDEN DRIVE  
CLEMSON SC 29631

*(Last name is spelled Monami  
as shown in other correspondence  
from her.)*

SUBJECT: OPPOSES AGREEMENT MADE WITH IRAN CONCERNING  
HOSTAGES

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN  
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE  
UNDERSIGNED AT 456-2717.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 94, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE

05  
DOS  
Iran

8104477

WHB027(1151)(4-010523S024)PD 01/24/81 1148

ICS IPMMTZZ CSP

1981 JAN 24 AM 11 58


8036547731 NL TDMT CLEMSON SC 207 01-24 1148A EST

FMS PRESIDENT RONALD REAGAN

000585

WHITE HOUSE DC

THE IMPLEMENTATION OF THE AGREEMENT THAT THE CARTER ADMINISTRATION MADE WITH IRAN MEANS PASSING A DEATH SENTENCE ON MY FAMILY CONSISTING OF THREE CHILDREN, MYSELF AND MY HUSBAND. MY CASE WAS RELATED TO FORMER PRESIDENT CARTER AND LATER TO YOU VIA SENATOR THURMOND. MR RICHARD V ALLEN SENT A REPLY ON YOUR BEHALF. THIS IS A SERIOUS MATTER WITH LEGAL AND MORAL IMPLICATIONS THAT NO MAN WITH A SOUND CONSCIENCE CAN LIVE WITH. MR PRESIDENT, I AM PLEADING FOR THE LIVES OF FIVE INNOCENT AMERICAN INDIVIDUALS (3 OF THEM CHILDREN) HAVING GONE THROUGH 12 YEARS OF CAPTIVITY INSIDE IRAN UNDER CONDITIONS THAT THE NOW-FREED HOSTAGES CAN TESTIFY TO. IT IS IRONIC THAT THE U.S. GOVERNMENT INSTEAD OF PROTECTING ITS CITIZENS IS GIVING THE

TERRORISTS IN IRAN THE UPPER HAND TO CONTINUE HOLDING US HOSTAGES IN OUR OWN LAND. MR PRESIDENT, KNOWING OUR CASE IS YOUR MORAL RESPONSIBILITY. THERE IS NO WAY I CAN TELL YOU WHAT IS BEFALLING US NOW DUE TO THE RECENT DEVELOPMENTS. I CALL UPON YOU NOT ONLY AS MY PRESIDENT, BUT ALSO AS A DECENT MAN TO EXPEDITIOUSLY HAVE SOMEBODY HEAR OUR CASE IN PERSON BEFORE YOU PUT YOUR FINAL SIGNATURE ON OUR SURE EXECUTION SENTENCE. 

WITH HOPE IN GOD AND HIS JUSTICE

BETTY LAURA MONAMI, 211 HOLDEN DR, CLEMSON SC 29631, PHONE:

803-654-7731

NNNN

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD)

11/02/02

ID # 001499

Name of Correspondent: Everett S. Thompson

00071

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Iranian Settlement / Legal claims

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<del>OSCO</del>	HIGG'	ORIGINATOR	8/10/05 <sup>CH</sup>		PY	8/10/05 <sup>PY</sup>
✓ DOS		R	8/10/05 <sup>CH</sup>		PY	8/10/05 <sup>PY</sup>
✓ DOJ		I	8/10/05 <sup>CH</sup>		PY	8/10/05 <sup>PY</sup>
		Referral Note:				
		Referral Note:				
		Referral Note:				
		Referral Note:				

**ACTION CODES:**

- A - Appropriate Action
- C - Comments
- D - Draft Response
- F - Fact Sheet
- I - Info Copy
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: Pls draft response for WH signature

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOP).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

## RECORDS MANAGEMENT ONLY

### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: L Individual Codes: 4900 \_\_\_\_\_

Prime Subject Code: CO 071 - \_\_\_\_\_ Secondary Subject Codes: JL 002 - \_\_\_\_\_  
SC - \_\_\_\_\_

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence
  - n - 1 - Ronald Wilson Reagan
  - n - 2 - Ronald Reagan
  - n - 3 - Ron
  - n - 4 - Dutch
  - n - 5 -
- CLn - First Lady's Correspondence
  - n - 1 - Nancy Reagan
  - n - 2 -
  - n - 3 -
- CBn - Presidential & First Lady's Correspondence
  - n - 1 - Ronald Reagan - Nancy Reagan
  - n - 2 -

**MEDIA CODES:**

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

S/S # 8104108 / 8104055

Date February 27, 1981

DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

*File*  
*March 2, 1981*

FOR: Mr. Richard V. Allen  
National Security Council  
The White House

REFERENCE:

TO: The President FROM: Everett S. Thompson  
DATE: Feb. 2, 1981 SUBJECT: Iranian Settlement-  
Legal Claims

WHITE HOUSE REFERRAL DATED: 2/10/81 NSC # 001499  
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY  
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

*L. Paul Bremer, III*  
L. Paul Bremer, III  
Executive Secretary



February 27, 1981

Everett B. Thompson  
President  
American Consulting Engineers Council  
1015 15th Street, N.W.  
Washington, D.C. 20005

Dear Mr. Thompson:

Your letter of February 2, 1981, to President Reagan has been referred to the Department of State. Now that President Reagan has determined that the United States will implement the agreements with Iran, the Administration will take steps to carry out this country's commitments while providing the greatest possible degree of protection for the interests of U.S. claimants. We believe that the opportunity to resolve claims against Iran provided under the terms of the agreements will prove beneficial to most U.S. claimants.

With regard to the two specific areas of concern identified in your letter -- (1) the status of claims during the pre-arbitration settlement process and (2) the position of claimants whose cases fall outside the jurisdiction of the Claims Tribunal -- you will find the attached Executive Order of interest. That Order, signed by President Reagan on February 24, 1981, suspends claims but does not terminate them. Pursuant to this Order, the Department of Justice is seeking a stay of proceedings in connection with these claims, not a dismissal of the actions. Further, the claims suspended by the Order are only those that may be presented to the Iran-U.S. Claims Tribunal. If a particular claim falls outside the Tribunal's jurisdiction, the Executive Order would not preclude a continuation of litigation in U.S. courts.

Over the next few weeks the Administration will take steps to implement the agreements with Iran and set in motion the process of settling claims and, where necessary, submitting them to the Tribunal. In meeting this responsibility we will continue to work closely with claimants and their lawyers to ensure the fullest possible protection of their interests, consistent with President Reagan's determination that the United States should implement the agreements according to their terms. Your comments are much appreciated.

Yours very truly,

Gerald M. Rosberg  
Counselor on  
International Law

8104108

THE WHITE HOUSE OFFICE

REFERRAL

FEBRUARY 10, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

REMARKS: ALSO REFERRED TO DOJ

DESCRIPTION OF INCOMING:

ID: 001499

MEDIA: LETTER, DATED FEBRUARY 2, 1981

TO: PRESIDENT REAGAN

FROM: MR. EVERETT S. THOMPSON  
PRESIDENT  
AMERICAN CONSULTING ENGINEERS  
COUNCIL  
1015 15TH STREET, N. W.  
WASHINGTON DC 20005

SUBJECT: IRANIAN SETTLEMENT - LEGAL CLAIMS

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN  
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE  
UNDERSIGNED AT 456-2717.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 94, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE

THE WHITE HOUSE OFFICE

REFERRAL

FEBRUARY 10, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

REMARKS: ALSO REFERRED TO DOJ

DESCRIPTION OF INCOMING:

ID: 001499

MEDIA: LETTER, DATED FEBRUARY 2, 1981

TO: PRESIDENT REAGAN

FROM: MR. EVERETT S. THOMPSON  
PRESIDENT  
AMERICAN CONSULTING ENGINEERS  
COUNCIL  
1015 15TH STREET, N. W.  
WASHINGTON DC 20005

SUBJECT: IRANIAN SETTLEMENT - LEGAL CLAIMS

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN  
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AGENCY LIAISON, ROOM 94, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE

american  
consulting engineers  
council

ACEC File #601.02



1015 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20005 ☐ (202) 347-7474

Telex: 897445 AMCONENGRCS WSH

February 2, 1981

The President  
The White House  
Washington, D.C. 20500

001499

Dear Mr. President:

I am writing to you in behalf of the 3650 independent engineering firms which comprise the American Consulting Engineers Council. Consulting engineers are private practice engineering companies which may be engaged by government, industry, developers or foreign nations to plan and design everything from airports to wastewater facilities. The member companies of our organization represent a resource of professional qualifications unequalled in any other country in the world and we are, we believe, an extremely important factor in maintaining the competitive position of the United States in world markets.

We are deeply concerned with the Agreements entered into by former President Carter with the government of Iran, and in particular with the implementation and interpretation of the ten executive orders signed by President Carter on January 19.

Some of the member companies of our organization have substantial unresolved claims against the government of Iran. All of our members are disturbed by the possible implication of the Agreement, the executive orders and any implementing regulations as they may establish a precedent for resolution of disputes that may arise in countries other than Iran in the future.

We urge that your Administration give the most careful and searching study to the impact on American claimants of the methods that we understand are under consideration to implement the Agreement and the executive orders.

In particular, the following two issues must be addressed:

1. Providing for prompt and meaningful implementation of the commitment made by both governments to promote amicable settlement of claims by the parties directly concerned before the arbitration process commences. The American parties to Iranian claims disputes will be severely hampered in any negotiations for such settlement

WHITE HOUSE MAIL  
RECEPTION AND SECURITY  
OFFICE

1981 FEB 3 AM 11 41

8104108

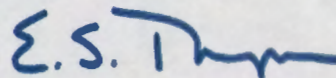
ACEC File #601.02  
The President  
February 2, 1981  
Page Two

if lawsuits are dismissed, or assets removed from the jurisdiction of American courts, before the negotiations even begin.

2. Providing a clear redress for the large number of American claimants whose contracts contain dispute clauses which purport to grant exclusive jurisdiction to the Iranian courts, and who thus may be excluded from the arbitration process.

There are a number of other important questions which should be considered. We would appreciate the opportunity to meet with senior representatives of your Administration to discuss our concerns. Please feel free to call our Executive Vice President, Mr. Larry Spiller or our Director of International Relations, Joe Morrison at (202) 347-7474 regarding our concerns relative to this matter.

Yours very truly,



Everett S. Thompson  
President

EST/jas

cc: The Secretary of State of the United States, The Secretary of the Treasury of the United States, The Attorney General of the United States

# WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 81 102/12

ID # 003149

C0071

Name of Correspondent: Edward D. Bright

MI Mail Report

User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Request that companies with valid claims against Iran be treated expeditiously.

**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>99</u>	<u>Treas</u>	ORIGINATOR	<u>81 102/13</u>			<u>1 1</u>
<u>99</u>	<u>Treas.</u>	<u>A</u>	<u>81 102/13</u>		<u>A</u>	<u>81 03/10</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>
		Referral Note:	<u>1 1</u>			<u>1 1</u>

**ACTION CODES:**

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- C - Comments
- D - Draft Response
- F - Fact Sheet
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- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: \_\_\_\_\_

Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

# RECORDS MANAGEMENT ONLY

## CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: 4 Individual Codes: 4200 \_\_\_\_\_

Prime Subject Code: CO 071 Secondary Subject Codes: JL 002  
DE 003 \_\_\_\_\_

## PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

### SIGNATURE CODES:

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  - n - 1 - Ronald Wilson Reagan
  - n - 2 - Ronald Reagan
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  - n - 4 - Dutch
  - n - 5 -
- CLn - First Lady's Correspondence
  - n - 1 - Nancy Reagan
  - n - 2 -
  - n - 3 -
- CBn - Presidential & First Lady's Correspondence
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- M - Mailgram
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- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study





OFFICE OF THE SECRETARY OF THE TREASURY  
WASHINGTON, D.C. 20220

WILLIE HOWE FRENCH;  
LIAISON, RM 94  
THE WHITE HOUSE

FAC No. 92866  
ES-81-2300

*March 10, 1981*

Dear Mr. Bright:

Thank you for your letter to President Reagan of January 22, 1981, apprising us of the circumstances regarding Advanced Computer Techniques' claims against ISIRAN for services rendered and termination costs and losses. As you know, President Reagan recently issued orders suspending all lawsuits and attachments by American companies against Iranian bank accounts and assets, thus carrying out the financial agreement with Iran that was arranged by former President Carter to free the 52 American hostages. Further, Iran has agreed to place a significant amount of funds at the disposal of an arbitration tribunal that will consider American claims against Iran. We will keep Advanced Computer Techniques well informed of the procedures to be followed once the claims adjudication mechanism is established.

Please be assured that it is the desire of the Treasury Department that all companies be treated fairly and equitably in the settlement of claims with the Iranians.

Sincerely,

*DS/*

Dennis M. O'Connell  
Director  
Office of Foreign Assets  
Control

Mr. Edward D. Bright  
Group Vice President  
Advanced Computer Techniques  
437 Madison Avenue  
New York, New York 10022

2300

THE WHITE HOUSE OFFICE

REFERRAL

FEBRUARY 17, 1981

TO: DEPARTMENT OF THE TREASURY

ACTION REQUESTED:  
APPROPRIATE ACTION

DESCRIPTION OF INCOMING:

ID: 003149

MEDIA: LETTER, DATED JANUARY 22, 1981

TO: PRESIDENT REAGAN

FROM: MR. EDWARD D. BRIGHT  
GROUP VICE PRESIDENT  
ADVANCED COMPUTER TECHNIQUES  
437 MADISON AVENUE  
NEW YORK NY 10022

SUBJECT: REQUESTS THAT COMPANIES WITH VALID CLAIMS  
AGAINST IRAN BE TREATED EXPEDITIOUSLY

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN  
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE  
UNDERSIGNED AT 456-2717.

RETURN BASIC CORRESPONDENCE, CONTROL SHEET AND COPY OF RESPONSE  
(OR DRAFT) TO:  
AGENCY LIAISON, ROOM 94, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:  
DIRECTOR OF AGENCY LIAISON  
PRESIDENTIAL CORRESPONDENCE

**ADVANCED  
COMPUTER  
TECHNIQUES**  
CORPORATION

437 MADISON AVENUE / NEW YORK, NEW YORK 10022 / (212) 421-4688

cable address INTERACTCO

22  
T.L. AS  
/

003149

January 22, 1981

have

The President  
The White House  
Washington, D.C.

Mr. President:

Please find enclosed a copy of the letter we have sent to Dennis M. O'Connell, Director of Finance Control in the Treasury Department. His office and the State Department have been very helpful within the limits of national security in regard to our situation.

We feel that matters involving companies who have valid claims against Iran should be treated expeditiously. We especially feel that the claim of smaller companies such as ACT who do not have the capital resources of some of the other wronged parties, should be given top priority in this situation.

Having spent most of my life in California and being quite aware of your accomplishments, I am confident that under your administration this situation will be given prompt attention.

Respectfully yours,

Edward D. Bright  
Group Vice President

EDB/glj  
Attachment

Letter No.	92865
Foreign Assets Control	24 FEB 1981
Rec'd	
Answ'd	Date
No ans.	Date

# ADVANCED COMPUTER TECHNIQUES

CORPORATION

437 MADISON AVENUE / NEW YORK, NEW YORK 10022 / (212) 421-4688

cable address INTERACTCO

January 22, 1981

The Honorable Dennis M. O'Connell  
Director of Finance Control  
Department of the Treasury  
1331 G Street, NW  
Washington, D.C. 20220

Dear Mr. Director:

During the last few months I have had conversations with several people from your offices. During a conversation held on January 21, Donald Boudreau suggested that I write this letter explaining the unfortunate situation that our company is in as a result of our attempt to represent the United States honestly and ethically, both here and abroad.

For 3-1/2 years, starting in October 1973, through our company and its wholly-owned subsidiary, Inter-ACT Corporation, we worked in Iran under contract to ISIRAN to assist in installing a logistics system for the IIAF. During that time ISIRAN entered into two Contracts and six binding Letter Agreements with our company and over that period of time requested us to increase our staff in Iran from 1 person in October 1973 to 45 persons in March 1977.

In June 1977, less than 4 months after entering into its sixth Letter Agreement with us, and after ISIRAN had requested us to increase our staff in Iran from 45 persons to 68 persons, ISIRAN advised us that our contract was terminated. We believe that our contract was terminated because we would not agree to do business in the "style" expected of contractors in that country. When our contract was terminated we were due the sum of approximately \$2,150,000 for services rendered under our contracts and Letter Agreements, as well as for certain termination costs which had been clearly provided for in these Contracts and Letter Agreements.

Because ISIRAN realized that our claims were justified, and as a result of the pressure brought to bear against ISIRAN, prior to January, 1979 we were able to obtain partial payment of the amounts due us. This enabled us to continue to operate, but we must receive the remaining amounts due us if we are to continue to operate.

ISIRAN still owes us approximately \$1,250,000 for services rendered and for termination costs and losses. In considering the merits of our claim the following facts are pertinent:

NEW YORK

WASHINGTON

PHOENIX

TUCSON

MILAN

EDMONTON

The Honorable Dennis M. O'Connell  
Department of the Treasury

January 22, 1981  
Page 2

- o ISIRAN reviewed and renewed our contract 8 times in 3-1/2 years.
- o In March 1977, ISIRAN confirmed its satisfaction with our work by returning \$200,000 of a performance guarantee which had been previously withheld.
- o In March 1977, ISIRAN requested us to bring an additional 23 professional staff to Iran and agreed to pay for the services of these personnel.
- o In August 1978 ISIRAN offered to pay part of the amount due us in final settlement of our claim. However, because we are entitled to payment for the total amount we refused to settle the matter at that time.

Our performance after March 1977 was rendered in the same professional manner as prior to March 1977, and the IIAF in fact accepted our uploading of ten of its bases between March 1977 and July 1977. (A copy of the IIAF's acceptance letters for these bases can be made available in addition to any other supporting data.)

We believe that ISIRAN has shown, by its own actions, that it has no reason to claim we are not entitled to payment for services rendered. Certainly, ISIRAN must have believed that our performance was more than satisfactory since it requested us to bring additional personnel to Iran, and continually renewed our contract.

When the breach occurred in June 1977 we enlisted the aid of Mark Johnson of the State Department. Through this Department's efforts we were beginning to make progress in coming to a resolution of this unfortunate situation.

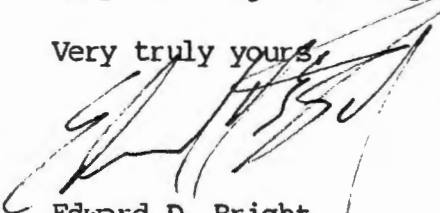
Unfortunately, our negotiations were interrupted by the events of November 1978. We talked with David Small, Tim Ramish and, Mark Johnson of the Iranian Affairs Desk on a number of occasions since that date but we all realized that of paramount importance was the freeing of the hostages. With this accomplished, we feel that because of previous negotiations, the length of time this problem has existed and the circumstances surrounding it, our company should not suffer any further financial hardship because of the stalling tactics of Iran or other interested parties.

The Honorable Dennis M. O'Connell  
Department of the Treasury

January 22, 1981  
Page 3

We are therefore asking that you be aware of our situation and when mechanisms have been created to alleviate these unjust circumstances, ACT be placed high on the priority list for settlement of its claims.

Very truly yours,



Edward D. Bright  
Group Vice President

EDB/glj  
Enclosure

EXECUTIVE SECRETARIAT

FEB 19 4 09 PM '81

DEPT OF THE TREASURY

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

ADVANCED COMPUTER TECHNIQUES  
CORPORATION,

AND

INTER-ACT CORPORATION,

Plaintiffs,

v.

CIVIL ACTION NO.  
80 CIV 0031 (LWP)

THE INFORMATION SYSTEMS IRAN  
ORGANIZATION OF THE GOVERNMENT OF IRAN,  
THE IMPERIAL IRANIAN  
AIR FORCE OF THE GOVERNMENT OF IRAN,

AND

THE ISLAMIC REPUBLIC OF IRAN,

Defendants.

PLAINTIFF'S ORIGINAL COMPLAINT

Plaintiffs Advanced Computer Techniques Corporation and Inter-ACT Corporation hereby complain of Defendants, the Informations Systems Iran Organization of the Government of Iran, the Imperial Iranian Air Force of the Government of Iran and the Islamic Republic of Iran, and allege as follows:



## PARTIES

1. Plaintiff Advanced Computer Techniques Corporation (hereinafter "ACT") is a United States corporation duly organized and existing under the laws of the State of New York. It is in the business of providing data processing and other computer-related services to its customers which during the period October 1973 to August 1977 included agencies or instrumentalities of the Government of Iran and the Government of Iran.

2. Plaintiff Inter-ACT Corporation (hereinafter "Inter-ACT") is a United States corporation duly organized and existing under the laws of New York, and is a wholly owned subsidiary of ACT. It is in the business of providing data-processing and other computer-related services to its customers which during the period September 1974 to August 1977 included agencies or instrumentalities of the Government of Iran and the Government of Iran.

3. The Information Systems Iran Organization, (hereinafter "ISIRAN"), an Iranian Government agency which provided data processing and computer related services to the Government of Iran and to its agencies and instrumentalities is a "foreign state" and an "agency or instrumentality of a foreign state" as those terms are defined in 28 U.S.C. S 1603. ISIRAN is subject to service of process herein pursuant to 28 U.S.C. S 1608(b), and is not entitled to sovereign immunity herein by reason of 28 U.S.C. S 1605(a) in that (a) any such immunity has been waived, inter alia, pursuant to Article XI, Section 4 of the Treaty of Amity, Economic Relations, and Consular Rights Between the United States of America and Iran, and the provisions of the written contract and letter agreements referred to hereinafter in Paragraph 8; and in that (b) this action is based upon an act outside the territory of the United States in connection with a commercial activity of ISIRAN elsewhere and such act has caused and/or will cause a direct effect in the United States.

4. The Imperial Iranian Air Force of the Government of Iran (hereinafter "IIAF") is a "foreign state" and an "agency or instrumentality of a foreign state" as those terms are defined in 28 U.S.C. S 1603. The IIAF is subject to service of process herein pursuant to 28 U.S.C. S 1608(b), and is not entitled to sovereign immunity herein by reason of 28 U.S.C. S 1605(a) in that (a) any such immunity has been waived, inter alia, pursuant to Article XI, Section 4 of the Treaty of Amity, Economic Relations, and Consular Rights Between the United States of America and Iran, and the provisions of the written contract and letter agreements referred to hereinafter in Paragraph 8; and in that (b) this action is based upon an act outside the territory of the United States in connection with a commercial activity of the IIAF elsewhere and such act has caused and/or will cause a direct effect in the United States.

5. The Islamic Republic of Iran (the Government of Iran and hereinafter "IRAN") is the duly recognized successor government of the State of Iran and is a "foreign state" as that term is used in 28 U.S.C. S 1603. IRAN is subject to service of process herein pursuant to 28 U.S.C. S 1608(a), and is not entitled to sovereign immunity herein by reason of 28 U.S.C. S 1605(a) in that (a) any such immunity has been waived, inter alia, pursuant to Article XI, Section 4 of the Treaty of Amity, Economic Relations, and Consular Rights Between the United States of America and Iran; and in that (b) this action is based upon an act outside the territory of the United States in connection with a commercial activity of Iran elsewhere and such act has caused and/or will cause a direct effect in the United States.

6. ISIRAN, the IIAF and IRAN are hereinafter sometimes collectively referred to as "Defendants" and ACT and Inter-ACT are hereinafter sometimes collectively referred to as "Plaintiffs".

### JURISDICTION

7. The Court has jurisdiction of this action under: (a) 28 U.S.C. S 1330, in that this is a nonjury civil action against a foreign state as defined in 28 U.S.C. S 1603(a) as to claims for relief in personam with respect to which the foreign state is not entitled to immunity under 28 U.S.C. SS 1605-07 or under any applicable international agreement; (b) 28 U.S.C. S 1331, in that the amount in controversy herein exceeds \$10,000 exclusive of interest and costs, and this action arises under the Constitution, laws, or treaties of the United States; (c) 28 U.S.C. S 1332, in that the amount in controversy exceeds \$10,000, exclusive of interest and costs, and is between citizens of a State, and foreign states or citizens or subjects thereof; (d) 28 U.S.C. S 2201; and (e) principles of pendent and ancillary jurisdiction.

### FACTUAL ALLEGATIONS

8. Starting in October 1973, ACT, and starting in September 1975 its wholly owned subsidiary Inter-ACT, entered into written contracts with ISIRAN to provide services in Iran and in the United States to ISIRAN in installing an automated logistics system for the IIAF, and inproviding general data processing consulting and education services to ISIRAN. These services were performed by Plaintiffs for the benefit of all of the Defendants and were performed in accordance with the terms of written agreements, including without limitation two aforementioned contracts, one binding Letter of Intent, and six binding Letters of Intent Extension agreements (the contracts, letter of intent, and extensions are referred to collectively as the "Agreements"). All of such Agreements required the Plaintiffs to transfer to Iran, at considerable expense, employees of Plaintiff who had acquired data processing or logistics systems experience in the United States. The last such Letter of Intent Extension, dated 2 March 1977 called for Inter-ACT to increase, at considerable expense, its staff in Iran who would perform services for Defendants, from 45 to 68 people. In the course of negotiating and executing the Agreements or documents related thereto officials of ISIRAN visited ACT facilities in New York, New York from time to time.

9. From October 1973 through June 1977 Plaintiffs had performed and were performing their obligations under the Agreements in a satisfactory manner as evidenced by Plaintiffs execution of a second contract and six Letters of Intent with Plaintiffs. Prior to March 1, 1977 Plaintiffs had installed the aforesaid logistics system in the three major IIAF depots. After March 1, 1977 and during the period covered by the Letter of Intent dated 2 March 1977, Inter-ACT continued to perform its services in the same professional manner as before, and during this period the IIAF accepted the uploading and conversion of 10 additional bases to the automated logistics system being installed by Plaintiffs. The fact that Inter-ACT's performance was satisfactory is further attested to by the fact that when the 2 March 1977 Letter of Intent Extension was executed ISIRAN paid to Inter-ACT a substantial portion of the performance guarantee held by ISIRAN against satisfactory performance under the Agreements.

10. In June 1977, less than 4 months after entering into the Letter of Intent Extension dated 2 March 1977, and after requiring Plaintiffs to bring more than twenty new staff members to Iran, ISIRAN breached said Letter of Intent by notifying Inter-ACT that ISIRAN's work had been cancelled by the IIAF for the reasons set forth in Paragraph 12 hereafter and that Inter-ACT's contract was therefore terminated. At no time did ISIRAN claim that it believed or found Plaintiffs works not to be satisfactory or to be the cause of the cancellation of its contract with the IIAF. When the contract was terminated Plaintiffs were due the sum of approximately \$2,150,000 from ISIRAN for (a) services rendered in accordance with the Agreements, (b) for certain termination costs totalling approximately \$425,000 which termination costs were clearly provided for in the Agreements and (c) approximately \$400,000 for additional costs and expenses resulting from the termination as well as lost profits resulting from such termination.

11. After the notice of termination was received Plaintiffs made extensive efforts to discuss the situation with officials of ISIRAN, the IIAF, and IRAN. As a result of those discussions, Plaintiffs subsequently obtained partial payment of the outstanding balance from ISIRAN but there is a balance of \$325,000 outstanding for services rendered, \$425,000 due in termination costs clearly provided for in the Agreements and \$400,000 for additional costs and expenses and lost profits resulting from such unlawful termination of the Agreements.

12. After the notice of termination was received Plaintiffs learned that the IIAF and IRAN had been negotiating with the Lockheed Aircraft Service Company (hereinafter "Lockheed"), a division of the Lockheed Aircraft Corporation, to have Lockheed provide the services which Plaintiffs and ISIRAN had been providing to the IIAF. These negotiations and the subsequent execution of a contract between Lockheed and IIAF were a fraudulent breach of the express language of the Agreements.

13. Plaintiffs personnel have made numerous additional efforts to discuss and resolve the outstanding issues with representatives of ISIRAN, the IIAF and the prior and present Governments of Iran directly and with the aid of the United States State Department. These efforts have been unsuccessful for a period of many months.

14. During 1979, there has been a dramatic escalation of social unrest in Iran. This unrest has been manifested by widespread rioting, violence, labor strikes, political turmoil, and the recent seizure of the American Embassy and its staff. Many governmental offices, banks, and businesses have been closed or only open sporadically. The rioting and violence are largely based on anti-American sentiments and there is little likelihood that the outstanding issues between Plaintiffs and Defendants can be resolved through normal business means or through governmental processes in Iran as was previously attempted.

FIRST CAUSE OF ACTION

15. Plaintiffs reallege and incorporate herein Paragraphs 1 through 14 of this Complaint.

16. ISIRAN and the IIAF have committed material breaches of the above described Agreements with Plaintiffs without legal justification or excuse.

17. By reason of such material breaches by ISIRAN and the IIAF of the above described Agreements, Plaintiffs have suffered and will suffer damage as follows:

- (a) payments of monies due under the Agreements for services but unpaid of at least \$325,000;
- (b) expenses resulting from such termination, including the relocation of expatriate employees which expenses are clearly provided for and due under the Agreements but unpaid of at least \$425,000;
- (c) additional costs and expenses resulting from such termination and lost profits for the remaining period of the 2 March 1977 Letter of Intent Extension of at least \$400,000.

SECOND CAUSE OF ACTION

18. Plaintiffs reallege and incorporate herein Paragraphs 1 through 17 of this Complaint.

19. IRAN conspired with ISIRAN and the IIAF to commit each of the wrongful acts and omission alleged herein and each of such acts and omission were committed by ISIRAN and the IIAF as agents of IRAN. IRAN further conspired to and did wrongfully and maliciously induce the aforesaid breaches of the Agreements between Plaintiffs and ISIRAN without legal excuse or justification whatsoever resulting in damage to Plaintiffs in an amount greater than \$1,000,000.

#### THIRD CAUSE OF ACTION

20. Plaintiffs reallege and incorporate herein Paragraphs 1 through 19 of this Complaint.

21. IRAN and the IIAF conspired with each other to defraud Plaintiffs to enter into the 2 March 1977 Letter of Intent Extension and to bring additional personnel to Iran and to cause Plaintiffs to incur substantial additional expenses in order to provide services to Defendants while they were negotiating and did negotiate a contract with Lockheed in breach of said Letter of Intent Extension without legal excuse or justification whatsoever resulting in damage to Plaintiffs in an amount greater than \$1,000,000.

#### FOURTH CAUSE OF ACTION

22. Plaintiffs reallege and incorporate herein for all purposes Paragraphs 1 through 21 of this Complaint.

23. As a result of the foregoing, an actual controversy has arisen among the parties hereto with respect to their respective rights and obligations under the Agreements described herein in Paragraph 8.

FIFTH CAUSE OF ACTION

24. Plaintiffs reallege and incorporate herein for all purposes Paragraphs 1 through 23 of this Complaint.

25. ISIRAN, IIAF and IRAN do not have sufficient assets in the United States and subject to execution to satisfy their debts to Plaintiffs which are the subject of this action. There is a probability that, unless restrained from doing so, ISIRAN, the IIAF and IRAN will, in the immediate future and prior to the time notice and a hearing could be afforded remove or cause to be removed from the United States to Iran assets belonging to them or either of them for the purpose of avoiding creditors, including Plaintiffs. Such removal would result in immediate and irreparable injury to Plaintiffs for which there is no adequate remedy at law, in that any judgment rendered by this Court would be rendered uncollectible to the extent of such removal. Moreover, civil disorder in Iran and the malicious and illegal behavior exhibited by Iran towards citizens of the United States has rendered and will render resort to the courts of Iran futile for an indefinite period, and such courts would, in any event, be biased and prejudiced in favor of ISIRAN, IIAF and IRAN against Plaintiffs.

WHEREFORE, PREMISES CONSIDERED, Plaintiffs respectfully pray for the following relief:

1. Upon due notice and hearing, a temporary injunction restraining ISIRAN, IIAF and IRAN, their officers, agents, servants, employees and attorneys, and all persons acting in active concert or participation with them who receive actual notice of the temporary restraining order from directly or indirectly removing from the United States, or causing or permitting removal from the United States of, any property or assets or any kind belonging to or claimed by ISIRAN, IIAF or IRAN.

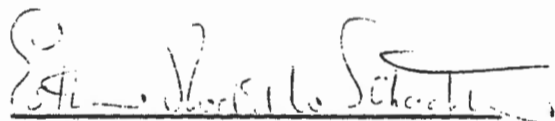


2. Upon trial for a declaratory judgment that the agreements described herein in Paragraph 8 were substantially and materially breached by ISIRAN and the IIAF without lawful justification or excuse at a time when such agreements were in full legal force and effect, that in so doing ISIRAN and the IIAF acted as agents of IRAN and that IRAN is legally responsible therefore.

3. Upon trial for actual damages in an amount greater than \$1,000,000 and punitive or exemplary damages against all Defendants in an amount greater than \$1,000,000.

4. Upon trial, for Plaintiffs' attorneys' fees, pre-and post-judgment interest, and costs of suit herein.

5. For such other and further relief, legal and equitable, preliminary and permanent, to which Plaintiffs shall show themselves entitled.



Esther Roditti Schachter

Esther Roditti Schachter, P.C.

Attorney for Plaintiff

437 Madison Avenue

New York, New York 10022

STATE OF NEW YORK            )  
  )  
COUNTY OF NEW YORK        )

BEFORE ME, the undersigned authority, on this day personally appeared Oscar H. Schachter, who by me being duly sworn states on oath that he is Executive Vice President of Advanced Computer Techniques Corporation and Inter-ACT Corporation and is duly authorized to make this affidavit, that he has read the foregoing Plaintiff's Original Complaint and Application For Temporary Restraining Order and Temporary Injunction and that the facts set forth therein are within his knowledge and are true and correct, except that those facts alleged upon information and belief are, to the best of his knowledge, information and belief, true and correct.

Oscar H. Schachter

SUBSCRIBED AND SWORN TO before me this 17<sup>th</sup> day of December, 1979.

Sharon E. Foust

Notary Public in and for

SHARON E. FOUST  
Notary Public, State of New York  
No. 31-1286270  
Qualified in New York County  
Commission Expires March 30, 1981

My Commission Expires:

3/30/81