COUR EUROPÉENNE DES DROITS DE L'HOMME
EUROPEAN COURT OF HUMAN RIGHTS

FIFTH SECTION

CASE OF MANOLOV AND RACHEVA-MANOLOVA v. BULGARIA

(Application no. 54252/00)

JUDGMENT

STRASBOURG

11 December 2008

This judgment will become final in the circumstances set out in Article 44 § 2 of the Convention. It may be subject to editorial revision.

In the case of Manolov and Racheva-Manolova v. Bulgaria,

The European Court of Human Rights (Fifth Section), sitting as a Chamber composed of:

Peer Lorenzen, *President,*
Rait Maruste,
Karel Jungwiert,
Volodymyr Butkevych,
Renate Jaeger,
Mark Villiger,
Mirjana Lazarova Trajkovska, *judges,*
and Claudia Westerdiek, *Section Registrar*,

Having deliberated in private on 18 November 2008,

Delivers the following judgment, which was adopted on that date:

PROCEDURE

1. The case originated in an application (no. 54252/00) against the Republic of Bulgaria lodged with the Court under Article 34 of the Convention for the Protection of Human Rights and Fundamental Freedoms ("the Convention") by two Bulgarian nationals, Mr Zdravko Manolov and Ms Evgenia Racheva-Manolova ("the applicants"), on 4 October 1999.

2. The applicants, who had been granted legal aid, were represented by Mr V. Sheytanov, a lawyer practising in Sofia. The Bulgarian Government ("the Government") were represented by their Agent, Ms M. Kotzeva, of the Ministry of Justice.

3. The applicants alleged, in particular, that they had been deprived of their property in an unlawful, discriminatory and arbitrary manner and without compensation.

4. On 7 May 2007 the Court decided to give notice of the application to the Government. Under the provisions of Article 29 § 3 of the Convention, it decided to examine the merits of the application at the same time as its admissibility.

5. Judge Kalaydjieva, the judge elected in respect of Bulgaria, withdrew from sitting in the case (Rule 28 of the Rules of Court). On 1 October 2008, the Government, pursuant to Rule 29 § 1 (a), informed the Court that they had appointed in her stead another elected judge, namely Judge Lazarova Trajkovska.

THE FACTS

I. THE CIRCUMSTANCES OF THE CASE

6. The applicants are husband and wife. They were born in 1920 and 1930 respectively and live in Sofia.

7. In 1982 the first applicant, who was an artist, purchased from the State through the Union of Bulgarian Artists a workshop of 212 square metres in Sofia. It appears that the second applicant, being the first applicant's spouse, acquired a share in the property. The price, 17,680 "old" Bulgarian levs (BGL), was determined in accordance with the relevant legislation and paid by the first applicant. At the relevant time this sum was the equivalent of not less than 75 average monthly salaries.

8. In the following years the applicants made substantial alterations to the property. The applicants used the property as a workshop and as their home.

9. The property, located in a building constructed not later than 1946, had originally consisted of three separate premises which had become State property in 1976 and 1978, when a Mr A. and a Ms P., the owners, had each sold their premises to the State, through the Union of Bulgarian Artists. The transaction had been executed pursuant to Council of Ministers Decree no. 60 of 1975, at prices determined by the relevant regulations (see paragraph 19 below).

10. In 1992 the heirs of Mr A. and Mrs P. reimbursed the price their families had received in 1976 and 1978 respectively and, claiming that they had thereby restored their title to the respective parts of the property by virtue of the Restitution of Stores, Workshops and Storage Houses Act 1991 ("the 1991 Act"), filed a *rei vindicatio* action against the applicants.

11. The proceedings went through three levels of jurisdiction and ended with a final judgment of the Supreme Court of Cassation of 13 May 1997 ordering the applicants to vacate the property.

12. The courts noted that in accordance with the 1991 Act the former owners of real estate sold to the State under Decree no. 60 of 1975 could automatically restore their title by reimbursing the price they had received from the State. The restored owners were entitled to claim their property from any third person, even where the latter had acquired it by means of a valid transaction. The courts found that in the case at hand the plaintiffs had reimbursed the price their families had received in 1976 and 1978 and had restored their title. Under the 1991 Act the applicants were no longer the owners and had to vacate the premises. The fact that they had purchased the property in 1982 by means of a valid transaction was immaterial.

13. The relevant court judgments in the 1992-1997 proceedings, as well as the applicants' notary deed, described the property as covering

approximately 212 square metres on three levels: (i) basement, used as a workshop (75.24 square metres), (ii) art gallery (53.37 square metres) and (iii) upper level (83.24 square metres).

14. On 28 April 1999 the applicants were evicted from the property. They moved into a room of 12 square metres belonging to a friend of theirs, where they lived until 2001.

15. The applicants asked the Sofia municipality to provide them with a municipal flat for rent. The municipality agreed but proposed to the applicants, in April 2000, a squatted flat and later on a flat located below ground level, which the applicants refused as being unsuitable for occupation. Eventually, in December 2002 the applicants were granted the tenancy of a two-room municipal flat at regulated prices.

16. On an unspecified date in 1997 the applicants brought an action under section 2 § 1 of the 1991 Act, seeking compensation for improvements in the property from the heirs of Mr A. and Mrs P. By a judgment of 10 July 2000 the Sofia City Court awarded the applicants 34,462 Bulgarian levs (BGN) (the equivalent of approximately EUR 17,500) apparently on the basis of up-to-date market prices.

17. On 18 March 2003 this judgment was quashed by the Supreme Court of Cassation which referred the case for renewed examination indicating that the compensation should be in the amount of the expenses disbursed by the applicants for the reconstruction of their property, calculated with reference to prices as in force at the relevant time – the 1970s.

18. Thereafter the applicants abandoned the proceedings as it became clear that as a result of the devaluation of the Bulgarian currency, inflation and the Bulgarian courts' practice of refusing revalorisation they could only hope to obtain a token compensation. The proceedings were terminated on an unspecified date in 2004.

II. RELEVANT DOMESTIC LAW AND PRACTICE

19. By virtue of Council of Ministers Decree no. 60 of 1975, the State or municipal enterprises were authorised to "buy up", from the individuals who owned them, stores, workshops, storage houses or similar premises. The price was fixed by administrative decision on the basis of legislation. While the Decree provided that the owner should propose that his or her property be purchased, in reality the owners were pressured to sell their property under the Communist Party's policy of limiting private economic activity (see Supreme Court judgment no. 270 of 14 February 1995 in case no. 4/94, noting, *obiter,* that the individuals concerned had been forced to sell their shop). This policy had been implemented, among other means, via the Citizens' Property Act 1973, which limited to a minimum private ownership of premises for economic activity.

20. In December 1991 Parliament adopted the Restitution of Stores, Workshops and Storage Houses Act 1991, which provided that the former owners of real property sold to the State under Decree no. 60 of 1975 could restore their title automatically by reimbursing the price they had received within one year of the Act's entry into force (section 1 of the Act). The restored owners were entitled to claim their property from any third person, even where the latter had acquired it by means of a valid transaction (see also Supreme Court judgment no.1758 of 2.02.1994 in case no. 430/93).

21. Section 2 § 1 of the 1991 Act entitles persons in the applicants' position to seek compensation for improvements they have made to the property. They can recover the sums spent for the improvements, not an amount representing the resulting value increase (see Supreme Court judgment no. 945 of 22.10.1993 in case no. 390/93). In practice, however, these claims only lead to recovery of insignificant amounts owing to inflation, which in the 1990s depreciated the national currency by a factor of several hundred, and as a result of the Bulgarian courts' practice of refusing revalorisation. The 1991 Act does not provide for recovery by persons in the applicants' position of the price they paid for the property. Theoretically, they could bring proceedings for unjust enrichment under section 55 of the Contracts and Obligations Act against the State or the enterprise or institution which had received reimbursement from the restored owners under section 1 of the Act but there is no reported case-law confirming this possibility.

THE LAW

I. ALLEGED VIOLATION OF ARTICLE 1 OF PROTOCOL No. 1 TO THE CONVENTION

22. The applicants complained, relying on Article 1 of Protocol No.1 and Articles 8, 13, 14 and 17 of the Convention, that they had been deprived of their property in an unlawful, discriminatory and arbitrary manner and without compensation. The Government contested that argument.

23. The Court considers that the complaint falls to be examined under Article 1 of Protocol No. 1 to the Convention, which reads as follows:

> "Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
>
> The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in

accordance with the general interest or to secure the payment of taxes or other contributions or penalties."

A. Admissibility

24. The Government did not make any objection as to the admissibility of the complaints.

25. However, noting that an issue may arise in respect of compliance with the six-month rule under Article 35 § 1 of the Convention, the Court considers that it must examine this question of its own motion. The six-month rule marks out the temporal limits of supervision carried out by the Court. It is therefore not open to the Court to set aside the application of this rule solely because a Government have not made a preliminary objection based on it (see *Walker v. the United Kingdom* (dec.), no. 34979/97, ECHR 2000-I).

26. The Court notes that the deprivation of property complained of was effected by judicial decisions that became final on 13 May 1997, when the Supreme Court of Cassation delivered its judgment, whereas the complaints before the Court were introduced on 4 October 1999, more than two years later. The question arises, therefore, whether or not the judgment of 13 May 1997 was the "final decision" within the meaning of Article 35 § 1, from which the six-month period starts running.

27. In similar Bulgarian cases (see *Shoilekovi and Others v. Bulgaria* (dec.), nos. 61330/00, 66840/01 and 69155/01, 8 September 2007), the Court considered that the complaints before it encompassed all effects of the impugned legislation and practice, including legislative and practical developments concerning the applicable compensation scheme, and, therefore, accepted that the relevant events must be seen as a continuing situation (*ibid.,* see also *Velikovi and Others v. Bulgaria*, no. 43278/98 et al., §§ 128-139 and 161, 15 March 2007).

28. In the present case there have been no relevant developments after the adoption of the 1991 Act and it therefore cannot be considered that the events complained of concerned a continuing situation.

29. Nonetheless, as in *Velikovi and Others* (cited above), the issue before the Court concerns the effects of the impugned restitution and compensation legislation taken as a whole (*ibid*., § 161). The Court notes that the 1991 Act contained in its section 2 a special provision entitling persons in the applicants' position to seek compensation for all improvements in the property (see paragraph 21 above). That provision formed an integral part of the relevant legislation. As the Court stated in *Velikovi and Others*, when examining complaints under Article 1 of Protocol No. 1 in the specific context of restitution of property after the fall of communism, it must take into consideration, as a central factor, "the hardship suffered by the applicants and the adequacy of the compensation

obtained" through various procedures and possibilities available to them, as the case may be (*ibid.*, § 190).

30. In these circumstances it can be accepted that the applicant's attempt, in the 1997 – 2004 proceedings, to seek compensation for improvements, although not directed at undoing the deprivation of property and not capable of providing more than a partial redress, was relevant to their complaint under Article 1 of Protocol No. 1 insofar as it was based on a provision of the impugned legislation and could in principle alleviate the burden imposed on the applicants through the application of that legislation. Also, despite the final outcome of these proceedings, the Court considers that the applicants' attempt was not unreasonable. In particular, the first instance court granted their claim and awarded them a sum of money which was far from being insignificant (see paragraph 16 above). Therefore, it cannot be considered that the eventual ineffectiveness of the remedy employed by the applicants must have been obvious to them at the outset (see the following decisions which concerned the starting point of the six-month time-limit in situations where the applicants used remedies that proved ineffective: *Lotter and Lotter v. Bulgaria* (dec.), no. 39015/97, 6 February 2003 and *M.C. v. Germany* (dec.), no. 25510/94, 18 May 2000).

31. In the Court's view, it follows that in the specific circumstances of the present case the judgment of 13 May 1997 in the restitution proceedings was not the "final decision" within the meaning of Article 35 § 1. It finds that the requirements of that provision have been satisfied as the applicants introduced their complaint under Article 1 Protocol No. 1 in October 1999, when the proceedings for compensation were pending, and in so far as these proceedings ended prior to the Court's assessment of the admissibility of the application.

32. Finally, the Court notes that the complaint under Article 1 of Protocol No. 1 is not manifestly ill-founded within the meaning of Article 35 § 3 of the Convention. It further notes that it is not inadmissible on any other grounds. It must therefore be declared admissible.

B. Merits

33. The applicants stated, *inter alia*, that they had been deprived of their property on the basis of legislation which was not in the public interest and violated the Constitution and international law. Furthermore, it was motivated by political considerations and imposed a heavy burden on persons who had lawfully purchased pieces of property that fell within the scope of application of the 1991 Act.

34. The Government stated that the restitution laws adopted after the fall of communism aimed at restoring justice. In the applicants' case, the courts had applied the relevant law correctly. The requisite fair balance had not been upset because the applicants had been entitled to, and had obtained, the

tenancy of a municipal apartment. Furthermore, they were entitled to compensation for improvements to the property but had failed to pursue the proceedings to obtain such compensation.

35. The Court, noting that the applicants lost their property as a consequence of the adoption by Parliament and implementation by the courts of the 1991 Act (see paragraphs 10-14, 20 and 21 above), considers that the facts complained of fall to be examined under the second sentence of the first paragraph of Article 1 of Protocol No. 1 as a deprivation of property - as in other similar cases which also concerned the effects on third persons of the restitution legislation adopted in Bulgaria after the fall of communism (see *Velikovi and Others*, §§ 159-161, cited above).

36. The Court must examine, therefore, whether the deprivation of property at issue was lawful, was in the public interest and struck a fair balance between the demands of the general interest of the community and the requirements of the protection of the individual's fundamental rights.

37. As regards lawfulness, the Court does not find any indication that in the present case the courts applied the 1991 Act arbitrarily or that their decisions and the resulting deprivation of property was unlawful under domestic law for any other reason. In so far as the applicants raised questions about the aims of the relevant domestic law, the Court considers, as in *Velikovi and Others* (see § 167 of that judgment, cited above), that this issue is inseparable from the question whether the interference had a legitimate aim and was in keeping with the principle of proportionality.

38. Turning to this question, the Court will apply the principles and criteria established in its case-law and, in particular, those developed in *Velikovi and Others v. Bulgaria*, but will also have regard to the fact that the provisions of the 1991 Act which is pertinent in the present case differed from those of the Restitution Law 1992 that was at issue in *Velikovi and Others* (see §§ 117-125 of that judgment, cited above, and paragraphs 19-21 above).

39. In *Velikovi and Others* (cited above, §§ 170-172), the Court found that the Restitution Law 1992, which provided that the State should restore the property it had expropriated without compensation during the communist regime, pursued an important aim in the public interest – compensating the victims of arbitrary expropriations and restoring justice and the rule of law. The fact that the Restitution Law 1992 authorised the former owners to claim their property back even from private individuals, whenever the latter's title had been tainted by abuse of power or breaches of the law, did not render its approach illegitimate as such, having regard to the specific context of the transition from a totalitarian to democratic society and the wide margin of appreciation enjoyed by the authorities in these matters (*ibid,* see also *Pincová and Pinc v. the Czech Republic*, cited above, § 51, and *Mohylová v. the Czech Republic* (dec.), no. 75115/01, 6 September 2005).

40. In the present case, while the Court accepts that the 1991 Act pursued a legitimate aim in the public interest, as part of the restitution legislation adopted after the fall of communism, it also notes a relevant difference – the 1991 Act did not aim at securing redress for expropriations without compensation, as the Restitution Law 1992 did, but at restoring the title of persons who had sold their property to the State or State enterprises in the 1970s and had received payment for it (see paragraphs 19-21 above).

41. It is true that in most cases the sales under Decree no. 60 of 1975 had been coerced and that the owners must have seen the resulting injustice as particularly injuring and discriminatory in cases where – as here – their properties were sold to other individuals soon after having been taken from them (see paragraphs 7 and 9 above). It is also true, that in all cases, including this one, the price paid to the former owners had been determined by administrative decision, not by contract (see paragraphs 9 and 19 above). It has not been maintained by the Government, however, that the prices paid to the former owners in the 1970s had been grossly underestimated or otherwise obviously inadequate.

42. It follows that the injustice which the 1991 Act sought to correct was less significant than the arbitrary expropriations for which redress was provided by the Restitution Law 1992.

43. Furthermore, the 1991 Act authorised the former owners to claim their property back from private persons in all circumstances, even where the latter had purchased the property through a valid transaction not tainted by any defect. Indeed, such was the case of the applicants, who possessed a valid title and had paid the required price for it but were nevertheless deprived of their property by virtue of the 1991 Act (see paragraphs 7, 10-12 and 20 above).

44. Applying *mutatis mutandis* the criteria set out in its *Velikovi and Others* judgment, the Court finds it difficult to accept that the aim of correcting injustices like those that were the subject matter of the 1991 Act could justify depriving the applicants of their property lawfully acquired by them fifteen years earlier. At all events, in such cases the principle of proportionality under Article 1 of Protocol No. 1 to the Convention required that they should obtain adequate compensation. The Court considers that in this respect the present case is similar to a certain extent to the cases of *Todorova* and *Eneva and Dobrev*, examined in its *Velikovi and Others* judgment (see §§ 236-249 of that judgment, cited above), where it held that nothing short of compensation reasonably related to the property's market value could restore the fair balance required by Article 1 of Protocol No. 1.

45. The Government have not claimed that compensation for the loss of the property was available to the applicants. The Court notes that under the 1991 Act the applicants could only claim compensation for the improvements they had made to the property, not the value of the property

itself. Moreover, the applicants' claim for improvements could only result in a token award as inflation had drastically reduced its value and revalorisation was not possible under Bulgarian law (see paragraphs 17, 18 and 21 above). In these circumstances, the fact that for a certain period the applicants could rent a municipal apartment at regulated prices is of little relevance to the question whether or not Bulgarian law secured to the applicants the right to compensation for the property taken away from them.

46. The Court considers, therefore, that the interference with the applicants' property rights was clearly disproportionate and failed to strike a fair balance between the public interest and the applicants' rights. It follows that the applicants were deprived of their property in violation of Article 1 of Protocol No. 1 to the Convention.

II. ALLEGED VIOLATION OF ARTICLE 6 OF THE CONVENTION

47. In 2007, in their observations in reply to the Governments' observations, the applicants raised a complaint concerning the length of both sets of proceedings in which they were involved, relying on Article 6 of the Convention.

48. The Court finds that this complaint was submitted outside the six-month time-limit under Article 35 § 1 of the Convention and must be rejected in accordance with its Article 35 § 4.

III. APPLICATION OF ARTICLE 41 OF THE CONVENTION

49. Article 41 of the Convention provides:

> "If the Court finds that there has been a violation of the Convention or the Protocols thereto, and if the internal law of the High Contracting Party concerned allows only partial reparation to be made, the Court shall, if necessary, afford just satisfaction to the injured party."

A. Damage

1. Pecuniary damage

(a) The parties' submissions

50. The applicants claimed 442,969 euros (EUR) in respect of the market value of the property, as assessed by an expert commissioned by them, and EUR 16,000 in respect of alleged loss of income resulting from the applicants' eviction in 1999, which allegedly prevented them from continuing their professional activities. The applicants also claimed

reimbursement of their medical expenses for the period 1999-2007 stating that their health had deteriorated as a result of the events complained of.

51. In support of these claims, the applicants submitted a valuation report by an expert commissioned by them. The expert, who stated that the property measured approximately 233 square metres, determined its price on the basis of information about apartments and houses offered for sale in the central parts of Sofia and also on information about rental prices. The expert did not indicate the year in which the house at issue was constructed and did not clarify the basis on which he considered that the property's area was different from that indicated in the relevant documents (see paragraph 13 above). The applicants also submitted medical documents and photographs of their artistic works.

52. The Government did not comment.

(b) The Court's assessment

53. Where the Court has found a breach of the Convention in a judgment, the respondent State is under a legal obligation to put an end to that breach and make reparation for its consequences. If national law does not allow – or allows only partial – reparation to be made, Article 41 empowers the Court to afford the injured party such satisfaction as appears to it to be appropriate. The Court enjoys a certain discretion in the exercise of that power, as the adjective "just" and the phrase "if necessary" attest. In particular, if one or more heads of damage cannot be calculated precisely or if the distinction between pecuniary and non-pecuniary damage proves difficult, the Court may decide to make a global assessment (see *Comingersoll S.A. v. Portugal* [GC], no. 35382/97, § 29, ECHR 2000-IV).

54. As regards pecuniary damage, the basis on which the Court proceeds depends on the nature of the breach found. Illegal and arbitrary dispossessions of property in principle justify *restitutio in integrum* and, in the event of non-restitution, payment of the up-to-date full value of the property (see *Papamichalopoulos and Others v. Greece* (Article 50), judgment of 31 October 1995, Series A no. 330-B, and *Brumărescu v. Romania* (just satisfaction) [GC], no. 28342/95, ECHR 2001-I). However, where the failure to strike a fair balance between the public interest and the individual's rights, rather than illegality, was the basis of the violation found, just satisfaction must not necessarily reflect the idea of wiping out all the consequences of the interference in question and compensation need not always equal the full value of the property (see *James and Others v. the United Kingdom*, judgment of 21 February 1986, Series A no. 98, p.36, § 54, and *The Former King of Greece and Others v. Greece* [GC] (just satisfaction), no. 25701/94, §§ 75-78, 28 November 2002).

55. In the present case, having regard to its findings about the nature of the interference with the applicants' property rights, the Court considers that

they are entitled to compensation reasonably related to the property's market value (see *Velikovi and Others v. Bulgaria*, no. 43278/98 *et al*., §§ 238 and 248, 15 March 2007).

56. In determining the amount, the Court takes into account the fact that owing to its specific features (see paragraphs 8, 9 and 13 above), the property at issue cannot be easily compared to other properties on the market and that, therefore, the information relied upon by the experts commissioned by the applicants about apartments and houses offered for sale must be used with caution. The Court further notes that approximately one third of the property's area was taken up by a basement which, apparently, could not form a separate living space. Having regard to these considerations, the valuation report submitted by the applicants and information at its disposal about the relevant property market, the Court awards to the applicants jointly EUR 160,000 in respect of the value of the property.

57. The Court also finds that the remainder of the applicants' claim for pecuniary damage is not supported by convincing evidence establishing that there is a direct causal link between the violation found and the damage alleged or evidence about the actual loss allegedly sustained. It must therefore be rejected.

2. Non-pecuniary damage

58. The applicants claimed EUR 40,428 under this head stating that they had suffered distress and their health had been adversely affected.

59. The Government did not comment.

60. The Court considers that the applicants must have suffered distress as a result of being deprived of their property despite the fact that they had lawfully purchased it by means of a valid transaction some fifteen years earlier. Deciding on an equitable basis, it awards EUR 5,000 to each of them (EUR 10,000 in total) in respect of non-pecuniary damage.

B. Costs and expenses

61. The applicants claimed EUR 4,094 for legal fees incurred for 58 hours of legal work before the domestic courts and this Court. They also claimed additional amounts as follows: EUR 238 for translation costs, EUR 179 for the cost of the valuation report, EUR 62 for postage and EUR 466 for travel and subsistence expenses incurred by the applicants' lawyer for a visit to the Court in Strasbourg. In support of these claims the applicants submitted invoices and receipts concerning legal fees and costs incurred in the domestic proceedings, an invoice for the sum paid by them for the valuation report and a bill from a Strasbourg hotel.

62. The Government did not comment.

63. According to the Court's case-law, an applicant is entitled to the reimbursement of costs and expenses only in so far as it has been shown that these have been actually and necessarily incurred and were reasonable as to quantum. In the present case, no hearing was held and the proceedings were conducted in writing. It follows that the claim for costs related to the applicants' lawyer's visit to the Court must be rejected. As regards the remaining claims, while they concern relevant costs, the Court must apply a reduction on account of the fact that some of the complaints were rejected. Also, as regards legal fees, the Court observes that the documents submitted concern solely legal fees in the domestic proceedings, not in the proceedings before the Court. Finally, it is noted that the applicants have received EUR 850 in legal aid from the Council of Europe. On the basis of these considerations, the Court awards the applicants jointly EUR 1,200 covering costs under all heads.

C. Default interest

64. The Court considers it appropriate that the default interest should be based on the marginal lending rate of the European Central Bank, to which should be added three percentage points.

FOR THESE REASONS, THE COURT UNANIMOUSLY

1. *Declares* the applicants' complaint under Article 1 of Protocol No. 1 to the Convention admissible and the remainder of the application inadmissible;
2. *Holds* that there has been a violation of Article 1 of Protocol No. 1 to the Convention;
3. *Holds*
   (a) that the respondent State is to pay the applicants, within three months from the date on which the judgment becomes final in accordance with Article 44 § 2 of the Convention, the following amounts, to be converted into Bulgarian levs at the rate applicable at the date of settlement:
      (i) to the applicants jointly, EUR 160,000 (one hundred sixty thousand euros), plus any tax that may be chargeable, in respect of pecuniary damage;
      (ii) to each of the two applicants, EUR 5,000 (five thousand euros), plus any tax that may be chargeable, in respect of non-pecuniary damage (EUR 10,000 in total);

(iii) to the applicants jointly, EUR 1,200 (one thousand and two hundred euros), plus any tax that may be chargeable to them, in respect of costs and expenses;

(b) that from the expiry of the above-mentioned three months until settlement simple interest shall be payable on the above amounts at a rate equal to the marginal lending rate of the European Central Bank during the default period plus three percentage points;

4. *Dismisses* the remainder of the applicants' claim for just satisfaction.

Done in English, and notified in writing on 11 December 2008, pursuant to Rule 77 §§ 2 and 3 of the Rules of Court.

Claudia Westerdiek
Registrar

Peer Lorenzen
President