### ART, FINANCE & LAW RISKS, RULES & OPPORTUNITIES IN ART INVESTMENT

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# Due Diligence: Attribution and Authenticity The Quagmire

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## ART, FINANCE & LAW ROLF HARRIS, 'THE QUEEN', 80TH BIRTHDAY COMMEMORATIVE PORTRAIT



### ART, FINANCE & LAW INTERNTIONAL THEFT

Discovery of masterpieces in Italy, April 2014

Paul Gauguin's Fruits sur une table -

€10m - €30m (£8m -£25m).



Pierre Bonnard's La femme aux deux fauteuils -€600,000 (£500,000).

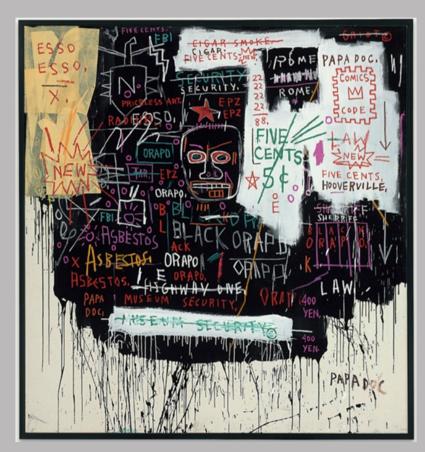
Who is the owner?



#### ART FINANCE & LAW

#### LORD EDWARD ALBERT CHARLES SPENCER-CHURCHILL V FAGGIONATO FINE ARTS LIMITED AND OTHERS [2012]

- Museum Security by Basquiat was withdrawn from auction in New York, 2012 on basis of questionable ownership.
- Johimbis Corporation V Edward
   Spencer-Churchill [652067/2012]



### ART, FINANCE & LAW ATTTRIBUTION

'Mobile Lovers', 2014

'Slave Labour', 2013





#### ART, FINANCE & LAW ATTRIBUTION

Accidia Foundation v Simon C Dickinson Ltd [2010] EWHC 3058 (Ch)

- Dickinson sold Leonardo drawing for \$7m through another intermediary
- "Return price" to owner \$5.5m
- Dickinson had to refund purchase price because of doubts about attribution but had received commission of \$1m which had not been authorised by seller
- Paid to seller for breach of fiduciary duty despite no direct link to seller



#### ART, FINANCE & LAW ATTRIBUTION

- Chagall bought for £100,000 and now said to be a fake and destroyed under French law.
- Yorkshire businessman bought reclining nude attributed to Chagall for £100,000.
- Twenty years later he volunteered the painting for BBC's Fake or Fortune
- This was a bad move, as the painting was found to be a fake an archaic French law provides for fakes to be destroyed in front of a magistrate
- The Chagall Committee are determined to carry this out and destroy the work



### ART, FINANCE & LAW AUTHENTICITY

Art historians vs. Technology

AVRORA FINE ARTS INVESTMENTS V CHRISTIE MANSON AND WOODS LTD (2012) EWCH 2198 (Ch)



#### ART, LAW & FINANCE FRAUD AND FORGERY

 Myatt and Drewe – over 200 Impressionist and Cubist works forged using emulsion paint rather than oil, and forged provenance.

 Knoedler Gallery – sale of 40 fake works bought from another dealer, including works supposedly by Rothko, Pollock, and Motherwell; reputational damage and lawsuits led to closure of gallery.

• "Jägers Collection" forged provenance – forged works of modern artists such as Ernst, Derain, Leger; four convicted in German criminal court.

#### ART, FINANCE & LAW CONCLUSION

"Art is a lie that makes us realise truth."

Pablo Picasso

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